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83^D CONGRESS
2^D SESSION

H. R. 8860

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 1954

Mr. KEAN introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as the "Trade Agreements Exten-
4 sion Act of 1954".

5 SEC. 2. The period during which the President is author-
6 ized to enter into foreign trade agreements under section 350
7 of the Tariff Act of 1930, as amended (19 U. S. C. (1952
8 edition) 1351), is hereby extended from June 12, 1954,
9 until the close of June 30, 1957.

10 SEC. 3. Section 350 of the Tariff Act of 1930, as

1 amended (19 U. S. C., (1952 edition) 1351), is hereby
2 further amended as follows:

3 (1) Subsection (a) is amended to read:

4 “(a) (1) For the purpose of expanding foreign markets
5 for the products of the United States (as a means of assisting
6 in establishing and maintaining a better relationship among
7 various branches of American agriculture, industry, mining,
8 and commerce) by regulating the admission of foreign goods
9 into the United States in accordance with the characteristics
10 and needs of various branches of American production so
11 that foreign markets will be made available to those branches
12 of American production which require and are capable of
13 developing such outlets by affording corresponding market
14 opportunities for foreign products in the United States, the
15 President, whenever he finds as a fact that any existing duties
16 or other import restrictions of the United States or any
17 foreign country are unduly burdening and restricting the
18 foreign trade of the United States and that the purpose
19 above declared will be promoted by the means hereinafter
20 specified, is authorized from time to time—

21 “(A) to enter into foreign trade agreements with
22 foreign governments or instrumentalities thereof contain-
23 ing provisions with respect to international trade, includ-
24 ing provisions relating to tariffs, to most-favored-nation
25 and other standards of nondiscriminatory treatment af-

fecting such trade, to quantitative import and export restrictions, to customs formalities, and to other matters relating to such trade designed to promote the purpose of this Act similar to any of the foregoing: *Provided*, That such provisions are not inconsistent with existing legislation of the United States; and

“(B) to proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

“(2) No proclamation pursuant to paragraph (1) (B) of this subsection shall be made (i) increasing the rate of duty applicable to any article to a rate more than 50 per centum above the rate applicable to such article existing on January 1, 1945; (ii) transferring any article between the dutiable and free lists; (iii) decreasing the rate of duty applicable to any article to a rate more than 50 per centum below the rate applicable to such article existing on January 1, 1945, in order to carry out a foreign trade agreement entered into by the President prior to June 12, 1954; or (iv) decreasing the rate of duty applicable to any article

1 by more than the limit set forth in any one of the following
2 three alternatives (subject to any other qualification appli-
3 cable to that alternative), in order to carry out a foreign
4 trade agreement entered into by the President on or after
5 June 12, 1954:

6 “(I) Decreasing to a rate 15 per centum below the
7 rate existing on January 1, 1954;

8 “(II) Decreasing to a rate 50 per centum below
9 the rate existing on January 1, 1945 in the case of any
10 article which the President determines, on the basis of
11 information provided by the Tariff Commission, is not
12 being imported into the United States or is being im-
13 ported in negligible quantities: *Provided*, That the fore-
14 going qualifications relative to import quantities shall
15 not apply to decreases, proclaimed to carry out a trade
16 agreement to which the Government of Japan is a party,
17 which the President determines are necessary in order
18 to provide expanding export markets for products of
19 Japan, including such markets in third countries; or

20 “(III) Decreasing to a rate of 50 per centum ad
21 valorem (or to a combination of ad valorem rates ag-
22 gregating 50 per centum), in the case of any article the
23 duty applicable to which is an ad valorem rate above
24 50 per centum (or is a combination of ad valorem rates
25 aggregating above 50 per centum); or decreasing to a

rate of 50 per centum ad valorem or to a rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined by the President on the basis of available information would have been 50 per centum during a representative period, in the case of any article the duty applicable to which is a specific rate (or combination of rates including a specific rate) the ad valorem equivalent of which has been so determined to have been above 50 per centum during such period. The valuation provisions of subsections (a) (1) to (3), and (c) to (f) of section 402 of the Tariff Act of 1930, as amended, shall be utilized by the President in making determinations for the purpose of applying this alternative, except that, in any case in which subsections (a) (4) and (g) of section 402 are being applied for the valuation of an article, such latter subsections shall be utilized in making the determinations with respect to that article.

“(3) (A) Subject to the provisions of subparagraphs (B) and (C) of this paragraph, the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The President may at any time terminate any such proclamation in whole or in part.

1 “(B) No more than one-third of the maximum decrease
2 permissible under alternative (I) of paragraph (2) (iv)
3 of this subsection shall become initially effective at one time,
4 nor until any previous part of such decrease shall have been
5 in effect for not less than one year. No part of a decrease to
6 which alternative (I) is applicable shall become initially
7 effective after June 30, 1957.

8 “(C) No more than one-third of any decrease in duty
9 to which alternative (II) or (III) of paragraph (2) (iv)
10 of this subsection is applicable shall become initially effective
11 at one time, nor until any previous part of such decrease
12 shall have been in effect for not less than one year.

13 “(D) If the President determines that such action
14 would simplify the statement of the rate of duty to be pro-
15 claimed for any article the duty applicable to which is being
16 decreased subject to one of the limitations set forth in this
17 paragraph or in paragraph (2) (iv) of this subsection, he
18 is authorized to round out such rate: *Provided*, That in so
19 doing he does not decrease the duty applicable to such article
20 by more than one-half of 1 per centum ad valorem in
21 addition to the decrease permitted by such limitation. In
22 the case of a specific rate, or of a combination of rates in-
23 cluding a specific rate, the one-half of 1 per centum shall
24 be determined in the manner provided in alternative (III)

1 of paragraph (2) (iv) of this subsection for ascertaining the
2 ad valorem effect of rates not stated in such terms.

3 “(4) In exercising his authority under this section,
4 the President shall avoid the subdivision of classification
5 categories which might give rise to confusion or controversy,
6 whenever this may be done consistently with the purposes of
7 the trade agreements legislation.

8 “(5) The proclaimed duties and other import restric-
9 tions shall apply to articles the growth, produce, or manu-
10 facture of all foreign countries, whether imported directly, or
11 indirectly: *Provided*, That the President may suspend the
12 application to articles the growth, produce, or manufacture
13 of any country because of its discriminatory treatment of
14 American commerce or because of other acts (including the
15 operations of international cartels) or policies which in his
16 opinion tend to defeat the purposes set forth in this section.”

17 (2) Subsection (b) of the said section 350 is amended
18 by (i) deleting the word “exclusive” from before the word
19 “agreement” in the first sentence; (ii) inserting the word
20 “exclusive” before the words “preferential custom treatment”
21 in the first sentence; and (iii) amending the last sentence to
22 read as follows: “No rate of duty on products of Cuba shall
23 in any case be decreased (1) to a rate more than 50 per
24 centum below the rate applicable to such products existing

1 on January 1, 1945, in order to carry out a foreign trade
2 agreement entered into by the President prior to June 12,
3 1954, or (2) by more than the limits set forth in any one of
4 the three alternatives provided for in subsection (a) (2)
5 (iv) and in subsection (a) (3) (D) (subject to any other
6 qualification applicable to that alternative, and subject to the
7 provisions of subsection (a) (3) (B) and (C)), in order
8 to carry out a foreign trade agreement entered into by the
9 President on or after June 12, 1954.”

10 (3) Subsection (c) of the said section 350 is amended
11 (i) by designating the matter now therein as paragraph (1),
12 and (ii) by adding thereafter a new paragraph to read:

13 “(2) Except as is otherwise provided in subsection (d),
14 the terms ‘existing on January 1, 1945’ and ‘existing on
15 January 1, 1954’ as used in this section mean existing on
16 the date specified, however established, and even though
17 temporarily suspended by Act of Congress. The term ‘exist-
18 ing’ without the specification of any date, when used in this
19 section with respect to any matter relating to the conclusion
20 of or proclamation to carry out a trade agreement, means
21 existing on the day on which that trade agreement is entered
22 into.”

23 (4) At the end of the said section 350 a new subsection
24 is added to read:

25 “(e) The President shall submit to Congress an annual

1 report on the operation of the trade agreements program,
2 including information regarding new negotiations, modifica-
3 tions made in duties and import restrictions of the United
4 States, reciprocal concessions obtained, modifications of ex-
5 isting trade agreements in order to effectuate more fully
6 the purposes of the trade agreements legislation (including
7 the incorporation therein of escape clauses), and other infor-
8 mation relating to that program and to the agreements
9 entered into thereunder.”

10 SEC. 4. Subsection (b) of section 6 of the Trade Agree-
11 ments Extension Act of 1951, as amended (19 U. S. C.
12 (1952 edition) 1363 (b)) is hereby further amended by
13 deleting the second sentence thereof.

14 SEC. 5. Subject to compliance with the applicable statu-
15 tory procedures and limitations relative to the conclusion and
16 proclamation of foreign trade agreements, the President is
17 authorized to proclaim decreases in rates of duty not below
18 the limit set forth in alternative (II) (exclusive of the pro-
19 viso thereto) provided for in subsection (a) (2) (iv) of
20 section 350 of the Tariff Act of 1930, as amended, if he
21 finds as a fact that the purpose of that section will be pro-
22 moted thereby, notwithstanding that such proclamation is
23 not required or appropriate to carry out any trade agreement
24 which he has entered into under section 350. The appli-
25 cable statutory provisions relative to the carrying out, modi-

1 fication, and termination of foreign trade agreements and
2 proclamations thereof shall apply to proclamations issued
3 pursuant to this section and to decreases in rates contained
4 therein as though such proclamations had been issued to
5 carry out foreign trade agreements and the decreases were
6 concessions granted under such agreements. The period or
7 periods during which the President is authorized to issue
8 proclamations under this section shall be the same as the
9 period or periods during which he is authorized to enter into
10 foreign trade agreements under section 350.

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

By Mr. KEAN

APRIL 15, 1954

Referred to the Committee on Ways and Means

TRADE AGREEMENTS EXTENSION

JUNE 10, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. REED of New York, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H. R. 9474]

The Committee on Ways and Means, to whom was referred the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

H. R. 9474 extends for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended. Under present law, this authority expires June 12, 1954. Your committee's bill extends the authority until June 12, 1955.

GENERAL STATEMENT

The present authority to enter into reciprocal trade agreements exists by virtue of the 1-year extension enacted last year during the first session of this Congress (Public Law 215, 83d Cong., 1st sess.). As part of that extension legislation, provision was made for the creation of a commission to make a thorough examination of our foreign economic policy. The 1-year extension of the reciprocal trade agreements authority was intended as an interim measure designed to maintain the status quo pending completion of the study by that commission. The report of the Commission on Foreign Economic Policy was transmitted to the Congress January 25, 1954. However, your committee's heavy schedule involving tax, social security, unemployment insurance, and other legislation has made it impossible for the committee to hold the thorough public hearings which the Commission's recommendations obviously require. As a result, pending

such hearings, your committee believes another 1-year extension of the reciprocal trade agreement authority is appropriate.

Favorable reports on H. R. 9474 were received from the State, Treasury, Commerce, Agriculture, and Interior Departments. An information report was received from the Tariff Commission. The text of these reports follow:

DEPARTMENT OF STATE,
Washington, June 9, 1954.

HON. DANIEL A. REED,
*Chairman, Committee on Ways and Means,
House of Representatives.*

DEAR MR. REED: The Department of State gives its unqualified support to H. R. 9474 to extend the Trade Agreements Act for 1 year. The President has emphasized the need, pending full committee and congressional consideration of his proposal for new legislation in this field, for a simple 1-year extension of the existing authority. The Department is in full agreement with this conclusion for a number of reasons.

During the past year when this administration has been reviewing and evaluating all aspects of our foreign economic policies, other countries have postponed economic decisions. Important economic results can flow just from the fact that the Congress does not permit a lapse in this authority pending its full review next year. For example, a number of Western European countries are now seriously considering making their currencies freely convertible into dollars. This would be the biggest move yet taken in the direction of ending the postwar complex of quantitative restrictions and discriminatory trade with resultant benefit for our industry and agriculture seeking markets abroad. It is the firm judgment of the Department that these countries will be encouraged to continue their moves in this direction, by the enactment of this legislation.

An extension of the present authority to negotiate trade agreements will enable the President to move forward to improve Japan's trading prospects in the world, an essential element to stability in the whole Far Eastern situation.

The Department hopes that the proposed action can be taken by the committee and the Congress to assure that there is no lapse in this trade-agreement authority.

Sincerely yours,

For the Secretary of State:

(Signed) THRUSTON B. MORTON,
Assistant Secretary.

TREASURY DEPARTMENT,
Washington, June 9, 1954.

HON. DANIEL A. REED,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Reference is made to an oral request from the Committee on Ways and Means for the views of this Department on H. R. 9474, a bill which would extend for 1 year from June 12, 1954, the President's authority to enter into reciprocal trade agreements under section 350 of the Tariff Act of 1930, as amended.

This Department recommends favorable action on this bill.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

(Signed) H. CHAPMAN ROSE,
Acting Secretary of the Treasury.

THE SECRETARY OF COMMERCE,
Washington, June 8, 1954.

The Honorable DANIEL A. REED,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: I should like to advise your committee that I favor the passage of H. R. 9474, which extends the Trade Agreements Act (19 U. S. C. 1351) for 1 year from June 12, 1954. I believe this extension to be desirable in order to

permit Congress, and indeed the American people, to have sufficient time adequately to consider and debate H. R. 8860 which is now before your committee.

Sincerely yours,

(Signed) SINCLAIR WEEKS,
Secretary of Commerce.

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., June 9, 1954.

HON. DANIEL REED,
*Chairman, House Ways and Means Committee,
House Office Building, Washington, D. C.*

DEAR CONGRESSMAN REED: In response to the telephone conversation from your office, I wish to advise you that the Department of Agriculture supports the renewal of an extension of the reciprocal trade agreements program, whereby the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, for a period of 1 year from June 12, 1954.

This Department believes that an extension of this program will be beneficial for American agriculture.

Sincerely yours,

(Signed) E. T. BENSON, *Secretary.*

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., June 9, 1954.

MY DEAR MR. REED: You have requested an expression of the views of this Department on H. R. 9474, a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

This Department has no objection to the enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

(Signed) RALPH A. TUDOR,
Under Secretary of the Interior.

UNITED STATES TARIFF COMMISSION,
June 8, 1954.

THE HONORABLE DANIEL A. REED,
*Chairman, Committee on Ways and Means,
House of Representatives.*

DEAR MR. CHAIRMAN: Pursuant to your request, the Commission is reporting on the bill introduced June 8, 1954, H. R. 9474, 83d Congress, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

The bill, if enacted, would extend the authority of the President to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended, for a further period of 1 year from June 12, 1954. The existing authority for the President to enter into trade agreements under section 350 will expire on June 12, 1954, and after that date the President will have no authority to enter into foreign trade agreements pursuant to section 350 unless legislation extending that authority is enacted.

Section 350 was added to the Tariff Act of 1930 by section 1 of the act of June 12, 1934, and authorizes the President to enter into foreign trade agreements with foreign governments or instrumentalities thereof, and to proclaim under specified limitations such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by such agreements, as are required or appropriate to carry out any such agreements.

Section 350 itself contains no limitation on the time within which the President is authorized to enter into foreign trade agreements. However, subparagraph (c) of section 2 of the act of June 12, 1934, limited the authority of the President to

enter into foreign trade agreements pursuant to section 350 to a period of 3 years from June 12, 1934. Since that time the President's authority to enter into foreign trade agreements pursuant to section 350 has been extended from time to time by Congress, for periods varying from 1 to 3 years.

Because of the confusion usually present in connection with proposals to extend the President's authority to enter into foreign trade agreements, it might be pointed out that the so-called peril point provisions and escape clause provisions are not a part of the act of June 12, 1934 (usually referred to as the Trade Agreements Act of 1934) but are incorporated in the Trade Agreements Extension Act of 1951, as amended. These provisions will not expire if the President's authority to enter into foreign trade agreements is not extended, although the peril point provision which relates to the negotiation of new trade agreements would presumably be inoperative if the negotiation of new trade agreements is not authorized. The escape clause provisions would continue to be operative so long as any existing trade agreements containing escape clauses remain in force.

Sincerely yours,

JOSEPH E. TALBOT, *Acting Chairman.*

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H. R. 9474

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1954

Mr. REED of New York introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized to
4 enter into foreign-trade agreements under section 350 of the
5 Tariff Act of 1930, as amended and extended (19 U. S. C.,
6 sec. 1351), is hereby extended for a further period of one
7 year from June 12, 1954.

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83^d CONGRESS
2^d Session

H. R. 9474

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

By Mr. REED of New York

JUNE 8, 1954

Referred to the Committee on Ways and Means

Union Calendar No. 653

83^d CONGRESS
2^d SESSION

H. R. 9474

[Report No. 1777]

IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 1954

Mr. REED of New York introduced the following bill; which was referred to the Committee on Ways and Means

JUNE 10, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized to
4 enter into foreign-trade agreements under section 350 of the
5 Tariff Act of 1930, as amended and extended (19 U. S. C.,
6 sec. 1351), is hereby extended for a further period of one
7 year from June 12, 1954.

83^d CONGRESS
2^d Session

H. R. 9474

[Report No. 1777]

A BILL

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

By Mr. REED of New York

JUNE 8, 1954

Referred to the Committee on Ways and Means

JUNE 10, 1954

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

CONSIDERATION OF H. R. 9474

JUNE 10, 1954.—Referred to the House Calendar and ordered to be printed

Mr. ALLEN of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 580]

The Committee on Rules, having had under consideration House Resolution 580, report the same to the House with the recommendation that the resolution do pass.



House Calendar No. 199

83^D CONGRESS
2^D SESSION

H. RES. 580

[Report No. 1802]

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1954

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 9474) to extend
5 the authority of the President to enter into trade agreements
6 under section 350 of the Tariff Act of 1930, as amended,
7 and all points of order against said bill are hereby waived.
8 After general debate, which shall be confined to the bill,
9 and shall continue not to exceed three hours, to be equally
10 divided and controlled by the chairman and ranking minority
11 member of the Committee on Ways and Means, the bill shall
12 be considered as having been read for amendment. No

1 amendment shall be in order to said bill except amendments
2 offered by direction of the Committee on Ways and Means,
3 but said amendments shall not be subject to amendment.
4 At the conclusion of such consideration, the Committee shall
5 rise and report the bill to the House with such amendments
6 as may have been adopted, and the previous question shall be
7 considered as ordered on the bill and amendments thereto to
8 final passage without intervening motion, except one motion
9 to recommit.

RESOLUTION

Providing for the consideration of H. R. 9474,
a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

By Mr. ALLEN of Illinois

JUNE 10, 1954

Referred to the House Calendar and ordered to be
printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 14, 1954
For actions of June 11, 1954
83rd-2nd, No. 108

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HIGHLIGHTS: House committee reported actions on dairy provisions of farm-program bill. House passed trade-agreements bill. Senate corrected effective date on bill to increase excess-tobacco penalty. Senate committees reported Indian extension-work bill and bill to authorize 3/8 bu. basket. Sen. Knowland inserted USDA maps and analysis of price supports. Sens. Aiken, Douglas, and others debated level of REA appropriations. Sen. Knowland inserted President's speech on legislative program, including price supports. Rep. Johnson, Wis., criticized reduction in dairy price supports. Rep. Curtis, Nebr., commended REA progress under this Administration. Rep. Mason spoke in favor of USDA price-support program.

HOUSE

1. FARM PROGRAM. The "Daily Digest" states: "Committee on Agriculture: Voted to adopt the following provisions in the section dealing with dairy products as contained in the committee print of the long-range farm program —

"Direct the Secretary of Agriculture to undertake a domestic disposal program for dairy products.

"Expand the use of milk in schools, and that the Secretary use not to exceed 50 million annually from funds of the Commodity Credit Corporation so as to increase use of fluid milk by children in nonprofit schools of high-school grade and under.

"Encourage donation of surplus dairy products to military services and veterans' hospitals.

"Authorize and encourage 5-year foreign contracts by private industry.

"Authorize accelerated brucellosis-eradication program.

"Direct the Secretary to make additional studies of the various phases of the dairy industry, and furnish a detailed report on the subject to Congress on, or before January 3, 1955." (pp. D669-70.)

Rep. Johnson, Wis., criticized the reduction in dairy price supports (p. 7637).

2. TRADE AGREEMENTS. Passed, 281-53, without amendment H. R. 9474, to continue the President's authority to enter into reciprocal trade agreements for 1 year, to June 12, 1955 (pp. 7637-67).

3. PERSONNEL. Rep. Garmatz spoke in favor of unemployment compensation for Federal employees and others (pp. 7667-8).
4. ADJOURNED until Mon., June 14 (p. 7670). Legislative program, as announced by Rep. Halleck: Mon., D. C. bills; Tues., and for balance of week, Private Calendar, disposal of surplus agricultural commodities (S. 2475), motor vehicle pools (H. R. 8753), and foreign-aid and housing bills if reported (p. 7667).

SENATE

5. TOBACCO QUOTAS. Agreed to a correction in the date effective for S. 3050, to increase from 40% to 50% of the average market price, the penalty for marketing tobacco in excess of quotas. As finally passed, the bill would become effective Oct. 1, 1954, except that for flue-cured tobacco it would become effective July 1, 1955. The bill will now be sent to the President. (pp. 7589, 7617.)
6. EXTENSION WORK. The Interior and Insular Affairs Committee reported with amendments S. 3385, to transfer Indian extension work from Interior to USDA and the States (S. Rept. 1592) (p. 7582).
7. CONTAINERS. The Interstate and Foreign Commerce Committee reported without amendment H. R. 8357, to amend the Standard Container Act so as to authorize a 3/8 bushel basket (S. Rept. 1585).
8. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported with amendments S. 3233, to provide permanent legislation for transportation of a substantial portion of water-borne cargoes in U. S.-flag vessels (S. Rept. 1584) (p. 7582).
9. DEFENSE APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 8873 (S. Rept. 1582) (pp. 7581-2).
10. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1955. Began debate on this bill, H. R. 8067 (pp. 7588, 7593-4, 7600-8, 7628-33).
11. PRICE SUPPORTS. Sen. Knowland inserted the President's recent speech on his legislative program, including price supports (pp. 7589-91).
Sen. Knowland inserted a USDA press release on maps showing the State-by-State distribution of farm income from price-supported and non-supported farm commodities and said: "These statistics are the most revealing I have ever seen in proof of the necessity for the new farm program which the Secretary and the President have recommended... I have taken the liberty of forwarding a copy of the statistics to all Senators..." (pp. 7591-2.)
12. REA APPROPRIATIONS. Sen. Aiken spoke against the recent amendment to increase REA funds by \$35,000,000, saying such an increase was unnecessary. Sen. Douglas and others debated this question with Sen. Aiken. (pp. 7595-600.)
13. LAND TRANSFER. Sen. Morse indicated that he will speak against H. R. 3097, to transfer a grape research station from USDA to Calif., and Sen. Knowland agreed that the bill would not be taken up until Tues. at the earliest (pp. 7593, 7628).
14. COMMITTEE ASSIGNMENT. Sen. Ervin, N. C., was assigned to the Government Operations Committee (p. 7581).
15. RECESSED until Mon., June 14 (p. 7634). Legislative program for this week,

What concerns me is this: There are today men holding Reserve commissions in the Armed Forces of our country who have publicly stated that they will not be bound by Presidential orders and that they feel they are above the law and can give out and receive without proper authorization secret information of our Government. They have further urged others to break their oaths of office and do the same. This is exactly the same type of appeal to some mystic loyalty higher than the laws of America that motivated Alger Hiss when he broke the laws of secrecy and turned over secret information to others, thus becoming a traitor to his country. Such a course can lead only to anarchy.

Mr. Speaker, we here in Congress have our responsibilities. Those in the executive have theirs. What I would like to know is this: What are the armed services going to do about those who hold Reserve commissions and who not only have publicly stated that they themselves will not be bound by their oaths of office but also have urged others to break their oaths by revealing without proper authority secret information? I hope the armed services can answer this question soon and in an unequivocal fashion, so that the armed services of the United States can show to all America that they support America's President on this grave constitutional question.

SPECIAL ORDERS GRANTED

Mr. JAVITS. Mr. Speaker, I ask unanimous consent that the special order which I have today for 5 minutes be extended to 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Test.....percent.....	3.0	3.05	3.1	3.15	3.2	3.25	3.3	3.35	3.4	3.45	3.5
Price.....dollars.....	2.475	2.508	2.540	2.573	2.605	2.638	2.670	2.703	2.735	2.768	2.800

Test.....percent.....	3.55	3.6	3.65	3.7	3.75	3.8	3.85	3.9	3.95	4.0	4.05
Price.....dollars.....	2.833	2.865	2.898	2.930	2.963	2.995	3.028	3.060	3.093	3.125	3.158

Test.....percent.....	4.1	4.15	4.2	4.25	4.3	4.35	4.4	4.45	4.5	4.55	4.6
Price.....dollars.....	3.190	3.223	3.255	3.288	3.320	3.353	3.385	3.418	3.450	3.483	3.515

Test.....percent.....	4.65	4.7	4.75	4.8	4.85	4.9	4.95	5.0	5.05	5.1	5.15
Price.....dollars.....	3.548	3.580	3.613	3.645	3.678	3.710	3.743	3.775	3.808	3.840	3.873

Base price: 3.5-percent milk at \$2.80 per hundredweight.

Differential of 6½ cents per point below and above base.

"A reliable year-round market."

ARMOUR & Co.

BLOOMER, WIS.

(Mr. THOMPSON of Texas asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. THOMPSON of Texas. Mr. Speaker, on March 22, 1954, I addressed the House on the subject of Public Law 841, 81st Congress, the primary purpose of which law was to separate the business operations of the Panama Canal from those collateral operations which made up the governmental activities of the Panama Canal Administration. My remarks appear on page 3445 of the CONGRESSIONAL RECORD of the same date.

There was no objection.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House today for 5 minutes, following the legislative business of the day and any special orders heretofore entered.

THE DAIRY INDUSTRY

(Mr. JOHNSON of Wisconsin asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JOHNSON of Wisconsin. Mr. Speaker, I received the card from one of my constituents, Joel C. Peterson, of New Auburn, Wis., showing the new schedule of payment for milk by one of the companies in my district. He is a dairy farmer. His comment on the prices to be paid to farmers, beginning on May 1, is very short. He simply says: "This don't look good to us around here."

The card and schedule tells very dramatically the story of what has happened to dairy farmers under the Benson order of April 1. Some of my colleagues may remember my remarks in the latter part of March when I predicted that this would happen.

Well, it has happened. I agree with Mr. Peterson when he says: "This don't look good to us around here." I commend it to the attention of my colleagues with the added observation that while dairy farmers have had their incomes slashed by Secretary of Agriculture Benson the consumers have not benefited very much.

I include the card showing the schedule of payments to farmers for various tests of milk. It was sent in by Mr. Juel C. Peterson:

To Our Patrons:

Beginning May 1, 1954, and until further notice, we are paying the following prices per hundred pounds which applies to the enclosed check:

Certain parts of my statement if taken out of context could leave a reader with the mistaken impression that I opposed any review of, or amendment to, this law. As a matter of fact I have been aware of some apparent inequities which should be carefully considered and corrected as necessary. I have read with particular interest the Booz, Allen, and Hamilton report which has made recommendations which, if adopted, should eliminate much of the trouble. Since I had the honor of serving as chairman of the subcommittee which reported that legislation to the House, my continued interest in appraising the administration of this law and in developing such amendments as may be necessary, prompts me to call this to the attention of the House at this time. Hearings on Public Law 841 have been started be-

fore a subcommittee of the Merchant Marine and Fisheries Committee of the House under the chairmanship of the gentleman from California, the Honorable JOHN J. ALLEN, JR., and I am certain that with his able guidance full consideration to all phases will be given and any necessary changes in the basic law will be made.

The canal has a worldwide reputation as an efficient, well-run, and economical organization. We, in Congress, intend to protect such reputation.

EXTENSION OF FOREIGN TRADE AGREEMENTS

Mr. ALLEN of Illinois. Mr. Speaker, I call up the resolution (H. Res. 580), and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

The SPEAKER. The gentleman from Illinois is recognized for 1 hour.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. BAILEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BAILEY. What will be the legislative situation should the House decide to defeat the previous question?

The SPEAKER. The resolution will then be open for further debate and possible amendment.

Mr. BAILEY. I thank the Speaker.

Mr. ALLEN of Illinois. Mr. Speaker, I rise to urge the adoption of House Resolution 580 which will make in order the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

House Resolution 580, Mr. Speaker, provides for a closed rule, waiving points of order and specifies that no amendments shall be in order except those offered by direction of the Committee on Ways and Means. One motion to recommit would be in order and 3 hours of general debate would be provided on the bill itself.

If H. R. 9474 is passed, Mr. Speaker, the authority of the President to enter

into trade agreements would be extended for 1 year.

As we all know, Mr. Speaker, the present authority to enter into trade agreements on a reciprocal trade basis exists because of the 1-year extension enacted last year during the 1st session of the 83d Congress. At that time, Mr. Speaker, provision was made for the creation of a commission to make a thorough examination of our foreign economic policy. The Randall Commission report was given to the Congress on January 25, 1954, and the Committee on Ways and Means feels that they cannot conduct the extensive hearings at this time on the Randall Commission's recommendations which would be necessary in view of the sweeping changes contained in the Commission's report. For this reason, Mr. Speaker, the Ways and Means Committee asks for an extension of the present authority for 1 more year, which will give them the time to really go into this most difficult question in a thorough manner.

According to the report on this bill, Mr. Speaker, the 1-year extension has been recommended by the Department of State, the Department of the Treasury, the Department of Commerce, Agriculture, and Interior, and the Bureau of the Budget has raised no objection to the passage of the bill.

Mr. Speaker, I will not say that this bill is not a controversial one for it is, and indeed the question of tariffs has been a burning one almost throughout our history. However, since a complete study of this problem is scheduled by the Ways and Means Committee for next year, I think that extending the present authority is the sensible thing to do. I hope that the rule will be adopted and that the 1-year extension will be enacted by the Congress.

Mr. BAILEY. Mr. Speaker, I desire to be heard in opposition to the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I yield 5 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I rise to oppose the pending rule which would make possible the consideration of H. R. 9474, and would, if enacted, renew and extend the Reciprocal Trade Agreements Act for a period of 1 year. I oppose this rule, Mr. Speaker, because it is a closed rule. My opposition to closed rules, regardless of whether the legislation in question comes from the Ways and Means Committee of the House or from any other standing committee, is well known.

I do not propose to sit idly by and see more than 400 of my colleagues in the House, not members of the Ways and Means Committee, effectively muzzled and in so many words, told to sit on the sidelines while the erudite members of the Ways and Means Committee tell us what kind of legislation they think our constituents should have.

I am well aware of the fact that it is the customary practice to consider legislation reported by the Ways and Means Committee under a closed rule. This,

they say, is necessary because it is revenue raising legislation and that the House should not be permitted to prolong debate or to offer amendments that might improve the legislation being considered.

No such valid reason exists in the legislation now pending. Out of approximately \$70 billion of Federal revenue, less than \$2 billion comes into the Treasury in the nature of import duties. It is not then, a question of revenue. It involves, however, a matter of domestic and foreign policy that should be determined not by members of the Ways and Means Committee alone, but by every duly elected Member of the Congress.

Shall we, Mr. Speaker, continue to allow such important domestic policies as would safeguard our economy, be made a pawn in the field of international politics?

The time is right for action. Action that will not only lend assistance to the other free nations of the world in allowing them to sell their products in our markets, but action that would insure immediate and adequate safeguards for American industry and American workmen.

I submit, Mr. Speaker, that the pending rule does not provide these safeguards. It provides merely for a continuation of conditions that is daily growing worse. A condition that threatens to disrupt our own economy, while we play "big brother" to the other nations who do not hesitate to trade with nations behind the Iron Curtain.

The only course of action open to those Members of Congress who want to make equality of treatment of our domestic industry, the basic idea of our trade policy, is to vote down the previous question and return this legislation to the Ways and Means Committee for detailed study. There is no emergency that justifies the hasty action being proposed here.

I trust it will be the pleasure of my colleagues to vote down the previous question.

Mr. RAYBURN. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Speaker, I have always supported reciprocal-trade legislation since I have been a Member of this body. I cannot support this because it permits no amendments to the bill.

My interest is centered in the distress of the coal industry and the glass industry. I think the time has come when the Congress should take an interest in these two great industries. The coal industry is in great distress at the present time. This is certainly an industry which we would need in case of an emergency. The longer we wait the more difficult it would be to revise this industry when we need it.

Mr. Speaker, history is in the making. The Republican Party is apparently attempting to establish an all-time record for bypassing issues and rushing a bill through the Congress. To surpass the speed with which the triple play on H. R. 9474 was executed—from Ways and Means to Rules to the House floor—

would require the services of Roger Banister and Wes Santee combined.

Last year some two dozen Members of the House—the chosen representatives of upward of 55 million American citizens—introduced identical bills specifying a limitation on the residual oil imports that in the past half-dozen years have been bringing poverty and misery into our coal-producing areas. Later, when a Republican Member—in what was considered a proper tactical move to assure the enactment of this proposed legislation—incorporated the bill into an expanded version of the type of program our foreign-trade policy should pursue, hearings were held by the Ways and Means Committee and the bill received favorable action from that committee.

When the Simpson bill was granted a rule and brought to the floor of the House, the floor leader of the Republican Party stood in this very Chamber and made a vigorous political plea against enactment. He announced at that time that it was the wish of the White House that the findings of the Ways and Means Committee—with its many days of hearings and volumes of testimony—be ignored. Here is the way he said it:

The President wants this bill defeated.
* * * So I say we ought to stand by the administration.

Although the Republican leadership, among its multitudinous promises prior to the election of 1952, had given unconditional assurance to the American people that the domestic economy would be protected in the foreign trade program, that message which came to Capitol Hill at the crucial hour was to the effect that America's workmen were to be sacrificed in the interests of cheap political practice.

As a result of that final word from the political powers that be, the Simpson bill was returned to committee, there to expire under the direction of the Republican leadership. I must add, however, that the administration did not fail, in taking this action, to include its usual political amenity: a promise. The promise was that, in view of the obvious need for protection of the coal, glass, and other industries, a commission was to be appointed. A commission, you know, has since January 1953 been the Republican Party's official vehicle of escape and compromise.

Well, the commission was duly appointed and made its report, but evidently that report was too unsavory even for the commission's creator—and I refer to the Chief Executive—to accept. As a consequence, this being an election year, the Republican Party once more reverted to its time-worn technique: compromise.

The bill now before the House was introduced on Tuesday of this week. It has come out of the Ways and Means Committee without a hearing, been given a rule without delay, and thus brought to the floor with lightning action.

Mr. Speaker, I can assure you that I am an advocate of reciprocal trade. I will go so far as to say that I wish the day were here where we could advocate complete free trade. But the millenium

is yet to arrive, and we must therefore be realistic in our approach to international commerce. We cannot solve the problem by avoiding it, as the Republican Party is now attempting to do.

I ask whether this legislative body can in conscience swallow the political pill which the GOP leadership is prescribing here today. I say frankly that it is mystifying how anyone can be so unmindful of the rights and the needs of our American people.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

(Mr. MASON asked and was given permission to revise and extend his remarks.)

Mr. MASON. Mr. Speaker, our Reciprocal Trade Agreements Act was passed in 1934. That act gave the President the tariff and trade-making powers that the Constitution placed in the legislative branch. Essentially it was an abdication of power by the Congress, a dodging of an obligation and a responsibility that constitutionally belongs to the Congress. That act can be said to be the result of a strong-willed Executive working with and upon a weak-willed Congress.

The Reciprocal Trade Agreements Act was an emergency measure, definitely described as such. It contained a 3-year limitation, and gave President Roosevelt the power to make trade agreements with other nations.

Like most New Deal emergency measures the Reciprocal Trade Agreements Act has been extended and extended until today is 20 years old. Has it achieved the objectives that it was supposed to achieve: Namely, world peace, world prosperity, universal good will, amity among nations?

WHAT ABOUT WORLD PEACE?

During the 20 years the Reciprocal Trade Agreements Act has been on the books we have had World War II. We have had the Korean incident. We have had the so-called Spanish Civil War. We have had 7 years of war in Indochina. We have had trouble between England and Egypt, between India and Pakistan. We have had Communist Russia extending the Iron Curtain beyond her borders until she now has control and domination over 900 million people instead of the 300 million Russians she had at the close of World War II. Has the act helped to establish world peace?

WHAT ABOUT WORLD PROSPERITY?

Are we any nearer world prosperity today than we were in 1934? To bring about world prosperity we have given away over \$100 billion in the last 15 years—\$60 billion lend-lease and \$50 billion since World War II—to say nothing of the nearly \$200 billion we have spent for national defense in the cold war. Has world prosperity been aided by the Reciprocal Trade Agreements Act? Certainly our own prosperity has not been advanced, because we are in debt today to the tune of \$300 billion—more than all the rest of the world owes all put together; and more than twice as

much as all the nations of Europe owe all put together.

WHAT ABOUT GOOD WILL, AMITY AMONG NATIONS?

Is good will or amity among nations any nearer today than it was before 1934? To be specific, has the relationship between France and Germany improved since 1934? Between Pakistan and India? Palestine and Arabia? Italy and Yugoslavia?—to say nothing about the conditions in the Far East.

What about internal dissensions and strife? Italy with her 36 percent Communist vote in the last election; France with 24 percent of her national legislature composed of Communist members; Nationalist China and Communist China? What about England, torn between her Socialist Labor Party and her Conservative Churchill Party? Has good will among men and amity among nations been advanced by the Reciprocal Trade Agreements Act?

WHAT ABOUT TRADE BARRIERS?

Mr. Speaker, do we have a freer flow of goods today across national borders than we had in 1934? The facts in connection with world tariff and trade today deny it. True, tariff walls have been lowered until today world tariff walls are only about half as high as they were in 1934. But while world tariff barriers have been lowered, other obstacles or barriers more effective than tariffs have been erected. Import and export licenses, currency manipulation, multiple currencies, quotas, subsidies, and so forth have been set up until, as Dr. Clair Wilcox put it:

The trade of the world today is more tightly regimented than it ever has been before in history, in time of peace.

The fact is that practically every foreign country that has lowered its tariff duties has erected other barriers against imports, thereby nullifying the effect of their tariff concessions or reductions.

Mr. Speaker, these are just a few samples of the direct result of our reciprocal trade-agreements program, and the results are just beginning to become evident.

In the face of these facts—and they are cold hard facts—can anyone say that our reciprocal trade-agreements program has been a success? Should the program be continued? Should the President be given the power to lower our tariffs still further?

These three questions must be met and answered—by you, by the Congress, and by the people of the whole Nation. Upon the correct answers to these questions depend the future welfare of this Nation, its economic welfare, its financial welfare; yes, its social and spiritual welfare as well.

Has the reciprocal trade-agreements program been a success? My answer is "No."

Should the program be continued? Again my answer is "No."

Should the President be given the power to lower our tariffs still further? Again my answer is an emphatic "No."

"If that be treason make the most of it."

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. BAILEY) there were—ayes 42, noes 13.

Mr. BAILEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 273, nays 63, not voting 98, as follows:

[Roll No. 80]

YEAS—273

Abbltt	Delaney	Jones, Mo.
Adair	Dempsey	Jones, N. C.
Adonizio	Derounian	Judd
Alexander	Devereux	Karsten, Mo.
Allen, Ill.	D'Ewart	Kean
Andersen,	Dies	Keating
H. Carl	Dondero	Kilburn
Andresen,	Donohue	Kilday
August H.	Donovan	King, Pa.
Andrews	Dorn, N. Y.	Kluczynski
Angell	Dowdy	Landrum
Arends	Eberharter	Lantaff
Auchincloss	Engle	Latham
Baker	Evins	LeCompte
Barden	Fallon	Lesinski
Bates	Fenton	Lipscomb
Battle	Fogarty	Lovre
Beamer	Forand	McCarthy
Becker	Ford	McCormack
Belcher	Fountain	McCulloch
Bender	Frelinghuysen	McIntire
Bennett, Fla.	Friedel	McMillan
Bentley	Fulton	McVey
Bentsen	Garmatz	Mack, Ill.
Berry	Gary	Mack, Wash.
Blatnik	Gathings	Magnuson
Boggs	Gavin	Mahon
Boland	Gentry	Marshall
Bolton,	George	Martin, Iowa
Frances P.	Goodwin	Matthews
Bolton,	Gordon	Merrill
Oliver P.	Graham	Morrow
Bosch	Granahan	Metcalf
Bowler	Grant	Miller, Kans.
Boykin	Green	Miller, Md.
Brown, Ga.	Gregory	Miller, Nebr.
Brownson	Gwinn	Miller, N. Y.
Broyhill	Hagen, Calif.	Mills
Buchanan	Hagen, Minn.	Morano
Budge	Hale	Moulder
Burleson	Haley	Multer
Bush	Halleck	Mumma
Byrne, Pa.	Hand	Murray
Campbell	Harden	Nelson
Canfield	Hardy	Norblad
Carnahan	Harrison, Nebr.	Norrell
Carrigg	Harrison, Wyo.	Oakman
Cederberg	Hart	O'Brien, Ill.
Celler	Harvey	O'Brien, Mich.
Chelf	Hays, Ark.	O'Brien, N. Y.
Chenoweth	Hébert	O'Hara, Ill.
Chlperfield	Herlong	O'Hara, Minn.
Church	Heslton	Osmers
Cole, Mo.	Hess	Ostertag
Cole, N. Y.	Hiestand	Passman
Colmer	Hill	Patman
Condon	Hillelson	Pelly
Cooley	Hillings	Phillips
Coon	Hinshaw	Phillips
Cooper	Hoeven	Poff
Corbett	Hoffman, Ill.	Polk
Cotton	Hollfield	Powell
Coudert	Holmes	Price
Crosser	Holtzman	Prlest
Crumpacker	Hope	Rabaut
Cunningham	Hosmer	Rains
Curtis, Mass.	Howell	Ray
Curtis, Mo.	Hunter	Rayburn
Dague	Hyde	Reams
Davis, Ga.	Javits	Reed, N. Y.
Davis, Tenn.	Jensen	Rees, Kans.
Dawson, Ill.	Jonas, N. C.	Rhodes, Ariz.
Deane	Jones, Ala.	Rhodes, Pa.

Riehlman	Sikes	Vinson
Rivers	Simpson, Ill.	Vorys
Robison, Ky.	Simpson, Pa.	Warburton
Rodino	Small	Watts
Rogers, Colo.	Smith, Kans.	Westland
Rogers, Fla.	Smith, Miss.	Wharton
Rogers, Mass.	Smith, Wis.	Wickersham
Rooney	Spence	Widnall
Sadlak	Springer	Wier
St. George	Sullivan	Wigglesworth
Schenck	Taber	Williams, N. J.
Scrivner	Talle	Williams, N. Y.
Sudder	Taylor	Wilson, Calif.
Seely-Brown	Teague	Wolverton
Selden	Thomas	Yates
Shafer	Thompson, Tex.	Young
Shelley	Thornberry	Younger
Short	Tuck	Zablocki
Shuford	Utt	
Sieminski	Velde	

NAYS—63

Albert	Forrester	Nicholson
Aspinall	Golden	Patten
Bailey	Gross	Patterson
Bennett, Mich.	Hays, Ohio	Perkins
Betts	Hoffman, Mich.	Pfost
Bishop	Ikard	Poage
Bonin	Johnson, Wis.	Regan
Bow	Kearns	Robeson, Va.
Bramblett	Kee	Rogers, Tex.
Bray	Kelley, Pa.	Saylor
Brown, Ohio	Lane	Scherer
Byrd	Lanham	Secret
Clardy	Long	Staggers
Clevenger	Lyle	Stringfellow
Cretella	McGregor	Trimble
Dawson, Utah	Mason	Van Zandt
Edmondson	Mollohan	Walter
Elliott	Morgan	Wampler
Ellsworth	Moss	Wheeler
Fernandez	Natcher	Whitten
Fisher	Neal	Winstead

NOT VOTING—98

Abernethy	Harris	Pilcher
Allen, Calif.	Harrison, Va.	Pillion
Ashmore	Heller	Preston
Ayres	Holt	Prouty
Barrett	Horan	Radwan
Bolling	Hruska	Reece, Tenn.
Bonner	Jackson	Reed, Ill.
Brooks, La.	James	Richards
Brooks, Tex.	Jarman	Riley
Buckley	Jenkins	Roberts
Burdick	Johnson, Calif.	Roosevelt
Busbey	Jonas, Ill.	Scott
Byrnes, Wis.	Kearney	Sheehan
Camp	Kelly, N. Y.	Sheppard
Cannon	Keogh	Smith, Va.
Carlyle	Kersten, Wis.	Staufner
Chatham	King, Calif.	Steed
Chudoff	Kirwan	Sutton
Curtis, Nebr.	Klein	Thompson, La.
Davis, Wis.	Knox	Thompson,
Dingell	Krueger	Mich.
Dodd	Laird	Tollefson
Dollinger	Lucas	Van Pelt
Dolliver	McConnell	Vursell
Dorn, S. C.	McDonough	Wainwright
Doyne	Machrowicz	Weichel
Durham	Madden	Williams, Miss.
Feighan	Maillard	Willis
Fine	Meador	Wilson, Ind.
Fino	Miller, Calif.	Wilson, Tex.
Frazier	Morrison	Withrow
Gamble	O'Konski	Wolcott
Gubser	O'Neill	Yorty

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Allen of California with Mr. Miller of California.
 Mr. Vursell with Mr. Yorty.
 Mr. Wilson of Indiana with Mr. Sheppard.
 Mr. Walcott with Mr. O'Neil.
 Mr. Prouty with Mr. Camp.
 Mr. Gamble with Mr. Preston.
 Mr. Reed of Illinois with Mr. Pilcher.
 Mr. Sheehan with Mr. Jarman.
 Mr. Maillard with Mr. Willis.
 Mr. Withrow with Mr. Kirwan.
 Mr. Byrnes of Wisconsin with Mr. Harrison of Virginia.
 Mr. Busbey with Mr. Madden.
 Mr. Horan with Mr. Brooks of Louisiana.
 Mr. Jonas of Illinois with Mr. Bonner.
 Mr. Scott with King.
 Mr. Ayres with Mr. Riley.
 Mr. Davis of Wisconsin with Mr. Frazier.

Mr. Reece of Tennessee with Mr. Dodd.
 Mr. Laird with Mr. Dingell.
 Mr. Knox with Doyle.
 Mr. Kersten of Wisconsin with Mr. Dorn of South Carolina.
 Mr. Kearney with Mr. Chatham.
 Mr. Jenkins with Mr. Harris.
 Mrs. Thompson of Michigan with Mr. Bolling.
 Mr. Van Pelt with Mr. Ashmore.
 Mr. Hruska with Mr. Machrowicz.
 Mr. Stauffer with Mr. Williams of Mississippi.
 Mr. Tollefson with Mr. Abernethy.
 Mr. Wainwright with Mr. Wilson of Texas.
 Mr. McConnell with Mr. Chudoff.
 Mr. Meador with Mr. Barrett.
 Mr. Pillion with Mr. Smith of Virginia.
 Mr. Radwan with Mr. Steed.
 Mr. Fino with Mr. Thompson of Louisiana.
 Mr. Dolliver with Mr. Brooks of Texas.
 Mr. Curtis of Nebraska with Mr. Mack of Illinois.
 Mr. Krueger with Mr. Morrison.
 Mr. Johnson of California with Mr. Feighan.
 Mr. Jackson with Mr. Roosevelt.
 Mr. James with Mr. Keogh.
 Mr. Welch with Mr. Klein.
 Mr. McDonough with Mrs. Kelly.
 Mr. O'Konski, with Mr. Fine.
 Mr. Gubser with Mr. Dollinger.
 Mr. Burdick with Mr. Heller.
 Mr. Holt with Mr. Buckley.

Mr. ENGLE changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 9474, with Mr. SAYLOR in the chair.

The Clerk read the title of the bill. By unanimous consent, the first reading of the bill was dispensed with.

Mr. REED of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H. R. 9474 would extend the President's authority to enter into reciprocal trade agreements for 1 additional year until June 12, 1955. Unless this legislation is enacted this authority will expire tomorrow.

As Members of this House know, I have never been an advocate of the reciprocal trade program. However, under the present circumstances I have no hesitation at all in supporting the President's request for an extension of the Trade Agreements Act for 1 additional year.

The sole purpose of H. R. 9474 is to preserve the status quo until a sound tariff policy can be developed by the Congress in the interest of all Americans.

As Members of this House know, the President's Commission on Foreign Economic Policy has made certain recommendations to the Congress with respect to tariffs. Those recommendations involve issues of great magnitude. They could not be adopted by the Committee

on Ways and Means without full public hearings and careful, time-consuming study.

Time has simply not been available at this session for such hearings to be held and such study to be given. Since the first of the year the Ways and Means Committee has met almost daily on other measures recommended by the administration. As you all know, our committee has completed the Herculean task of completely overhauling our tax laws. After intensive study, the committee has recommended sweeping amendments designed to improve our social security system. We have developed the first major excise tax reduction bill in many years. These measures have all been approved overwhelmingly by this House. We are presently engaged in consideration of the administration's program with respect to unemployment compensation and other vital legislation. There is a limit to the amount of legislation which any committee can formulate in one session of the Congress—even when the committee is composed of members as hard-working and diligent as those on the Committee on Ways and Means.

All of the 25 members of the Committee on Ways and Means have performed a monumental task this session. That statement covers both sides of the Committee on Ways and Means. The members have worked diligently. However, there is a limit to physical and mental endurance. We simply cannot do justice to this important tariff issue without exhaustive hearings.

Even if it were possible now to embark upon a detailed review of our tariff policies it would not be possible for such review to be completed in sufficient time for legislation to be enacted.

The choice before the Members of this House is, therefore, whether to enact H. R. 9474 and thus preserve the status quo for another year, or to allow the Trade Agreements Act to expire. Merely to allow the act to expire is not, in my judgment, the kind of affirmative legislative policy to which the American people are entitled in these troubled times. The expiration of the act would not have any effect upon the trade agreements which are presently outstanding. It would not grant any additional tariff protection to any of our industries, workers or farmers. On the other hand, such expiration might have unfortunate effects upon our trade relationships with foreign nations. For example, a number of western European nations are now seriously contemplating making their currencies freely convertible into dollars, a step which would greatly benefit our industries and agricultural producers seeking markets abroad. Failure to extend the act might discourage these steps. I am also informed that it might cause repercussions which could adversely affect economic stability in critical areas in the Far East.

It is my firm hope that the very first order of business before the Ways and Means Committee next session will be full public hearings on all aspects of our

tariff policy and that, as a result, the committee will have an opportunity to develop tariff legislation of which all Americans can be proud. I strongly urge you to vote for H. R. 9474 so that the continuity of our trade policy can be preserved until that time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Iowa.

Mr. GROSS. I think I know the gentleman's feelings with respect to tariff legislation. Does the gentleman have any idea when Congress will ever enact a sound tariff policy?

Mr. REED of New York. Yes. I think we can enact a sound tariff policy. I am firmly convinced of it. However, we cannot do that without full and exhaustive hearings.

Mr. GROSS. Certainly, the legislation we are called upon to approve today is not an answer to a sound tariff policy.

Mr. REED of New York. No; it is not. But, we know the conditions in the world today. Let us lay the cards on the table. We know the situation in Japan. We know that many of their industries are idle. We know that every day there is a great reservoir of people out of work, and the Communists are working to the best of their ability among those people. We need Japan on our side in this troubled world, and we are not going to gain their support by starving them to death. We have to do at least this much for them, at least give them a chance to be heard through trade negotiations. I am not willing, and I do not think many Members here are, to take the responsibility under present conditions of the world of killing this bill and shutting the door to such negotiations.

Mr. GROSS. But the gentleman cannot in his district, nor can I in my district, absorb the production of 8- to 18-cent-an-hour labor in Hong Kong or Japan.

Mr. REED of New York. Certainly. We know that, and we know the history of tariff legislation and its effect upon this country, and the building of our industries following the revolutionary war. We know that. But, I say that under present conditions in the world this is the only sensible, sound thing for this Congress to do.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Texas.

Mr. RAYBURN. I have seen some things in the papers in the last few days that disturb me deeply and, if true, I would deeply regret it, and that is that somewhere, somehow, there is an agreement that even though we extend the Reciprocal Trade Agreement Act for a year, that there will be nothing done under it; that there will be no agreements made. I think somebody in the administration or someone in a position of responsibility in the House of Representatives, as the gentleman from New York is, certainly should clear that thing up.

Mr. REED of New York. Well, I can clear it up right now. There has been no agreement under any circumstances, not in the slightest degree.

Mr. RAYBURN. Was there an agreement last year that there would not be anything done under the year's extension?

Mr. REED of New York. Not with me.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Tennessee.

Mr. COOPER. I think the distinguished chairman will recall that when Secretary Dulles appeared before our committee in the hearings last year on the subject of reciprocal trade legislation he stated that they did not contemplate negotiating any agreements during last year.

Mr. RAYBURN. There have not been any negotiated since the act was renewed last year, as I understand.

Mr. REED of New York. There have been no new agreements negotiated during that period.

Mr. RAYBURN. I am for the reciprocal-trade program. I was for it in the beginning. I think it has saved the trade and commerce of the United States, and we must continue it. But I would regret very much that anybody in any position of authority would say when this bill is passed that they are not going to try to carry out its provisions. I think it would be a terrible thing. In my opinion, it would be dishonest. I am not applying this to the gentleman from New York, of course, but to anybody anywhere in the administration responsible for the execution of this law that would say that since Congress has passed this law, under no circumstances would they negotiate an arrangement with another country.

Mr. REED of New York. I know of nothing of that kind.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. SIMPSON of Pennsylvania. It is my understanding that exactly the opposite is contemplated; that in all probability there will be further negotiations during the year.

Mr. REED of New York. It is my understanding that when this law is passed here today negotiations will immediately begin with Japan. It will take months to cover it, as such negotiations with another country always do.

Mr. SIMPSON of Pennsylvania. There certainly is no secret agreement that no agreements will be made.

Mr. REED of New York. Absolutely.

Mr. GROSS. If the gentleman will yield further, I assume this legislation provides for the continuation of the escape- and peril-point clauses?

Mr. REED of New York. It certainly does.

Mr. PELLY. Mr. Chairman, I shall vote for an extension of the Reciprocal Trade Agreements Act. I had hoped that by now the great Committee on Ways and Means would have had an opportunity to study our foreign economic policy and to come up with new legislation designed to stimulate trade, but certainly the distinguished chairman, the gentleman from New York [Mr. REED], in his opening remarks gave a clear explanation of why his committee has not had sufficient time to consider the report of the Commission on Foreign Economic Policy, chairmanned by Clar-

ence B. Randall. A full study of the effect of a reduction in tariff barriers on certain American industries, and in particular on wage standards and payrolls, is certainly in order before the Congress enacts legislation.

I want to say, as one who believes in exchange of surplus commodities between nations, and as one who in private life has worked for freer international trade, that care must be exercised to see that substandard foreign labor must not be allowed to lower our own high-living standard. On a case-by-case basis I am convinced a quota system which will protect American industry and labor can be worked out by agreement, and I have always favored the idea of the Reciprocal Trade Agreements Act. In this connection I have spoken in favor of trade as against aid on a number of occasions during the 83d Congress, quoting my philosophy of economics that it is the stuff the United States produces, plus the stuff we import, less the stuff we export that measures our standard of living.

It has been gratifying to me that among the many letters and communications I have received from constituents, practically all favor extension of the Reciprocal Trade Act. One of the very encouraging developments in the recent history of our Nation is the increase in understanding of economics. I have thought that it was our high-tariff policy after World War I, when we were a creditor nation for the first time in the history of this Republic, which caused the great depression. I believe today the struggle with Communist Russia may well be settled by our tariff policy.

When organizations such as my own Seattle Chamber of Commerce support the Reciprocal Trade Act, when study groups such as the League of Women Voters favor it, I say this great Nation is meeting its responsibility of world leadership.

It is to be hoped, Mr. Chairman, that a long-term program of lower tariff laws can be put into effect after careful study. What hurts industry is sudden and unexpected changes. We need long-range planning.

I support President Eisenhower's enlightened position and urge you, my colleagues, to vote for this 1-year extension of the Reciprocal Trade Agreements Act.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, tomorrow marks the 20th anniversary of the start of the reciprocal trade agreements program. I desire to take advantage of this opportunity, as I have on many occasions in the past, to pay deserved tribute to my good friend and distinguished fellow Tennessean who strongly sponsored the program in 1934 and supervised the administration of it for the first 10 years, the Honorable Cordell Hull.

Mr. Hull stands out in bold relief as one of the greatest statesmen of the world and deserves the lasting gratitude of the people of this country and the world for the great contribution he has made to their welfare.

Mr. Chairman, I support the pending bill. I am disappointed, however, that the recommendations contained in the President's original message based upon the recommendations of the Commission on Foreign Economic Policy, headed by Mr. Clarence B. Randall, are not going to be considered in this session of Congress.

I take this opportunity to compliment the President and Mr. Randall on these recommendations. The Randall Commission consisted of 17 very able members representing labor, industry, agriculture, and the Congress. It was my privilege to be one of those members. In my opinion, the recommendations of the Randall Commission and the President's message based thereon are constructive, while at the same time moderate.

I do not need to tell you that there are few subjects ever considered by the Congress about which there is more feeling and confusion, and which at the same time are more important. World conditions today are such that a realistic and constructive foreign trade policy on our part is of vital importance, not only to our own domestic economy, but to the economies of all the free nations. Sound foreign trade policies on the part of all free nations of the world is the only means of creating an economic climate on which lasting peace can be built. For this reason, and the fact that the United States is not only the political but the economic leader of the free nations, the direction of our foreign trade policy is very probably more important than any other one phase of our foreign relations at this time.

I have always supported the trade agreements program. It is my conviction that in its far-reaching consequences to the economic prosperity, security, and welfare of our country and the free world it is one of the greatest programs ever adopted by the Congress.

I have never advocated the abolition of proper and necessary tariffs and other protection for American industry and agriculture. To me, this would be just as unrealistic as to clamor for protection at the first sign of competition from abroad. I believe in realistic protection for American industry, agriculture, and labor, while at the same time permitting consumers to buy in a competitive market and our farmers and industries to sell their goods abroad.

I am not an idealist, in that I realize that reaching a situation such as this is most difficult and fraught with many economic and political problems. It is an end to which we can strive. After all, the direction in which we indicate our foreign economic and trade policy is going is often as important if not more important than the height of our tariffs or the degree of protection from other devices.

In the confusion and feeling which consideration of this subject brings forth we often lose sight of the real problems which face us. I will mention some of these, even though they may seem obvious under calmer circumstances.

In the first place, we must remember that the extreme choices in our trade re-

lations with the other nations of the world are, on the one hand, economic isolationism, and on the other, outright removal of all protection without consideration of our defense requirements, hardship on workers and industries, and a stable basis for world trade. I realize, perhaps as well as anyone on this floor, the fact that overshadowing our decisions on foreign economic and trade policy is the threat of communistic aggression and subversion. There is a realistic and moderate approach in our foreign economic trade policy which we, in our own self-enlightened interest, must seek. The military strength of the free nations of the world depends more on stable economies in those nations than on our capacity and willingness to furnish military weapons and other military aid and their capacity to do their part militarily.

The main cause of an imbalance in our foreign trade at this time is the lack of dollars on the part of our allies with which to buy the goods which we produce and which they need. Much has been said about the fact that many friendly free nations of the world have erected barriers to our trade. Those nations have not done this by a free choice of their own, but from the necessity of having to conserve their scarce dollars. They want and need much more of the goods which we now produce, but they are forced to limit their purchases from us to the most essential ones.

It is a truism, but one worth repeating, that we cannot sell where we do not buy. The only economical and self-respecting way of furnishing our allies with more dollars is through a freer exchange of goods. This means not only more exports on our part but also more imports. We must not forget that unnecessary duties and trade restrictions on our part, in effect, limit the markets and horizons of our own industry and agriculture.

What would be the effect of a more abundant two-way foreign trade? We could reduce and perhaps eventually eliminate economic and military aid abroad. We could relieve the pressure on our allies to trade with the Soviet bloc. We could obtain a more plentiful supply of goods at a cheaper price. We could receive payment for a good part of our goods and resources which in the past we have in effect given away.

We must remember that, although we are blessed with an abundance of resources, we are not self-sufficient, and we are becoming steadily less so. Unnecessary protection accelerates the exhaustion of our resources and increases our dependence on foreign supplies.

No one country in the world has as much to lose as the United States from restrictions on foreign trade, since we are the largest exporter and importer of goods in the free world, while at the same time the greatest creditor nation in the world.

The stake of agriculture in foreign trade, in many instances, is even more important than the stake of industry. Recently we have been exporting about one-third of our total production of cotton and tobacco. In 1951, \$1 out of each \$8 in cash farm income was accounted

for by exports. In 1951, 8.9 percent of our total production of movable goods, both agricultural and nonagricultural, were exported. It is certainly a matter of concern that our agricultural exports since 1951 have been falling off. One reason for this is that we have been concentrating more on military aid rather than economic aid. In addition, the dollar shortage and trade barriers and restrictions on our part as well as in other nations have contributed materially to this decline in exports.

Our whole national economy suffers when our exports decline, since the decline means lower wages to labor, profits to business and farmers, and taxes to the Government. We must remember also that about 4½ million persons are engaged, directly or indirectly, in foreign trade. We should keep this in mind at the same time we are giving consideration to those industries who feel that they are being injured by imports.

Mr. GROSS. Mr. Chairman, will the gentleman yield at that point?

Mr. COOPER. I am glad to yield to the gentleman.

Mr. GROSS. I wonder if the gentleman could tell me how much we have exported of our products to Poland in return for some \$15 million worth of ham and bacon they have shipped to this country in the last couple of years.

Mr. COOPER. I regret that I do not have the figures immediately before me.

We should also keep our perspective as to the effect of imports upon workers in this country by recalling the statements which have been made that even if our trade barriers were considerably reduced, the displacement which would take place would be far less than are the displacements caused by changes in fashion, technology, demand, the retirement of older workers and the absorption of newer ones, and so on.

Many people who will defend our free enterprise system in this country to the very last are often the first to complain about competition from abroad, and begin to clamor for means of meeting this foreign competition in the halls of Congress and the Tariff Commission rather than in the open market place.

I would like to read to you a statement of President Wilson in his message transmitting his tariff recommendations to the Congress in the spring of 1913. This statement merits even more serious consideration today, in light of world conditions, than it did in 1913:

We have seen our tariff legislation wander very far afield in our day. * * * We long ago passed beyond the modest notion of protecting the industries of the country and moved boldly forward to the idea that they were entitled to the direct patronage of the Government. * * * Consciously or unconsciously, we have built up a set of privileges and exemptions from competition * * * until at last nothing is obliged to stand the tests of efficiency and economy, in our world of big business, but everything thrives by concerted arrangement. * * * Aside from the duties laid upon * * * luxuries and merely for the sake of the revenue they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

In conclusion, our foreign trade policy and overall foreign policy can no longer be disassociated. The policy decisions in these fields are extremely difficult, and must be made methodically and carefully. More than ever we need allies who will cooperate with us, not as servants or followers, but as free and equal partners in a joint enterprise. The most shortsighted thing that we can do would be to isolate them between a tariff curtain and the Iron Curtain. Our guiding aim should be to build a stable foreign trade by cooperative action with our partners, so as to strengthen us all in our fight against communistic aggression and subversion.

We should seek by national and international action to increase production, trade, and consumption of goods, and eliminate unnecessary trade barriers and all forms of discriminatory treatment in international trade.

Mr. DINGELL. Mr. Chairman, I support H. R. 9474 because the reciprocal trade agreements program has contributed materially to our prosperity and to the strength and solidarity of the free nations of the world.

I am very happy to see that many of my Republican colleagues, who have strenuously opposed this plan since it was first enacted, instead of trying to kill it are now supporting it. The debacle of the Smoot-Hawley tariff was a major factor, if not the basic cause, in the world-wide depression in the early 1930's. The foresight of Cordell Hull in his fight for the reciprocal trade agreements program has been proved time and again.

This program has gained the popular support of the majority of the newspapers in the country as well as that of agriculture, industry, and labor. Our Republican colleagues do not dare kill it.

I regret that we only have before us an extension of it for a minimum period of time. This is unfortunate particularly at this time, because businessmen in the friendly free nations of the world are very hesitant to plan on being able to trade with us when they do not know from one year to the next what our attitude on foreign trade will be.

Our national interest demands that more constructive and forward-looking steps be taken in the field of our foreign economic policy. The political, military and economic strength of the free world can never be stable until we all adopt a more realistic attitude toward foreign trade.

Certainly in this field there occur dislocations in domestic agriculture, industry, and labor. A well-rounded program should approach such dislocations in a constructive manner rather than with an attitude of defeatism. Our overall national interest should be the controlling factor in our foreign economic policy.

The chairman of our committee has promised that extensive hearings will be held on the subject of foreign economic policy and trade in the next session of Congress. I shall see to it that particular attention is given to the problems of dislocations caused by imports in those few industries and businesses where they are bound to occur if our foreign trade

is expanded. I am particularly interested in supplemental and extended unemployment compensation benefits and severance pay for workers who may be temporarily displaced from their jobs, as well as retraining programs for them. At the same time consideration should be given to those businesses and communities which may be affected, and the many suggestions which have been made for relief and constructive action in this field should be thoroughly considered.

It is a matter of enlightened self-interest that we increase our foreign trade in every way reasonably possible. This cannot be a unilateral action. We can expand trade for ourselves only if we help expand it for the other fellow. I am very disappointed that our good Republican friends did not see fit to take more constructive action at an earlier date. In my opinion, the recommendations of the President not only endorsing but strengthening the Democratic Reciprocal Trade Agreements Act should have had high priority in this session of the Congress.

With world conditions being what they are today, we should miss no opportunity to strengthen ourselves and our allies in our fight against communistic aggression and subversion. While reciprocal trade expands business and makes everybody prosperous and happy, communism and selfish restrictions wither and destroy international business and bring about discontent and depressions.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Utah [Mr. STRINGFELLOW].

Mr. STRINGFELLOW. Mr. Chairman, I am opposed to the passage of this legislation. However, I would like to make clear to the Members of this Committee that I am not opposed to the principle of reciprocal trade. I am very much aware of the necessity of expanded markets abroad. I realize the great need of many of our friends to trade with us to gain badly needed dollars. Yes, there is a need for free trade, but on a fair and equitable basis. Throughout the 20-year history of our trade-agreements policy, the raw materials producing industries of the West have been led to the sacrificial altar. The proponents of this legislation have voiced the fact that affected industries can seek relief under the peril-point or escape-clause features of the Trade Agreements Act. This has been done by imperiled industries in my district with no effect. I speak specifically of the lead-zinc mining industry. The economic conditions prevailing in the mining sections of my district are appalling. Mines are closed and men are not working. In good conscience, what can we say to these people?

On various occasions I have called this situation to the attention of the executive branch of Government. Investigations have been made by the Tariff Commission by Presidential directive. Acting in good faith the Tariff Commission has made judicious investigations in every instance. I have been interested in two such investigations, the one pertaining to the domestic wool industry

and the other in the lead-zinc mining industry.

The Tariff Commission has always made recommendations sympathetic to the needs of the domestic industry concerned. But there has never been an expression of good faith in the form of positive action on the part of the executive branch of the Government.

The able chairman of the Ways and Means Committee has made a passionate plea to maintain the status quo in the field of trade through the passage of this legislation. This was the same argument we were forced to swallow last year. In the meantime there has been no real indication of relief.

The important point to consider this day is not so much where we are, but in what direction we are heading. I cannot feel that the destruction of basic industry in this country is heading in the right direction.

A sound trade policy in this country cannot be built on the unrealistic formulas of the past, but it must be built on the realities which now confront us.

(Mr. STRINGFELLOW asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I am obliged to the gracious chairman of the Ways and Means Committee for this time. I should not be taking the time of the House unless I had some particular information to convey and I do.

I have the honor to be chairman of the Subcommittee on Foreign Economic Policy of the Foreign Affairs Committee. We have been investigating the question of East-West trade, a very hot subject in our country. Certain facts upon that subject that bear a very direct relation to what we are discussing today have come to my attention which I would like to communicate here.

One salient fact stands out in postwar economic history which I think this House should be aware of as we work to win decisively the struggle against the totalitarian Communist imperialism—and if I leave nothing else with you today it should be that fact—that is the phenomenal growth of the Soviet economy.

The Soviets were producing before World War II 18 million tons of steel per year. Steel production is an important index of an industrial economy. They are now producing 38 million tons of steel a year. They have shown an increase of 3 to 4 million tons of steel a year, and any steel maker will tell you that is pretty rapid progress. In addition to the 38 million tons they are now producing, they are getting 12 million tons a year out of the satellites. That is as we know the same as if it were Soviet production. They are expecting according to information we have to gear up steel production to 60 million tons a year by 1960 and at 60 million tons they will about equal the production of Western Europe, including Great Britain—and be half of our production capacity of 120 million tons a year. The potential im-

plications of those facts I need not dilate on. We all know them well.

One other point. The Soviet Union is also trying to scheme for integrating the Communist world just as the reciprocal trade agreements program is an effort to integrate economically our world. They have over there what they call the Council of Economic Mutual Aid, which they organized in 1949. Let me give you some figures on that.

Western Europe's trade—our free Europe—with the East used to be about 20 percent of its total exports and imports before World War II. It is now down to 5 percent. The distractions of those who have been talking about East-West trade being a big issue to the contrary notwithstanding, the figures are down from 20 to 5 percent. But at the same time the trade within the Soviet bloc of satellite countries—that is, Hungary, Czechoslovakia, Poland, Rumania, and so forth—has increased from 12 percent, which it was prewar, to 83 percent. You can see by this enormous increase they are integrating the Communist economic world by the rule of the knout and the sword as is their method.

What does this teach us? We ought to know that the surest way to avoid world war III and to prevail over the Communist threat to all freedom is by our economic power utilized for the integration of the free world with resultant greater economic development and higher standards of living for the free peoples. That is the one thing we have got to do.

What the Communists are trying to do is to exploit misery by political panaceas—while we have the will and the ability to relieve it by practical means. More than two-thirds of the free world is way under par economically and the Communists are trying to exploit those people by offering political panaceas, which they try to accomplish by the exploitation of nationalism and anti-foreignism. They are telling them that they will get along much better under the Communist system than under the situation existing today; we know they are only trying to fasten a yoke of new colonialism and slavery around their necks and we can best convince the people concerned of that by doing a superb economic job with them. Now, our answer to the Communist challenge is the economic integration of the free world; to attain higher standards for the free peoples, more trade, more investment, more development, that we will then be offering the people of the free world goods instead of promises, and that is what is inherent in the particular legislation we are considering today.

This is a stopgap compromise. We all know that. It is not the President's program, which is more comprehensive. Yet, I and others like me must be for it because it continues the climate in which the people of America say to the whole free world, "We want to make progress toward economic integration and improve materially the economic situation of the free world."

I heard the gentleman from Iowa, whom I respect and admire, ask the

question about Polish ham, and so forth. This reflects a point of view in our country about imports—aside from the question of East-West trade. I would like to say in answer to that—and may I say again that this is separate from the question of imports from the Soviet bloc or any East-West trade—that we have to have a perspective on this situation. Twelve billion dollars in imports into the United States, the present rate, is something under 1 percent of a total import on the goods which is bought and consumed here, and all the people like myself who say we have to extend world trade, if you want any real answer to East-West nonstrategic trade and if you do not want to drive what are now our allies into the arms of the Communists for trade reasons, it is by giving them a little better opportunity for trade domestically, as well as in other countries of the world. All we are talking about is a possible increase from 1 to 2 percent; that is all we are talking about in the order of magnitude, because the production in all of these countries where we want to encourage imports to us is not great enough to challenge us. I submit you are talking about a real economic anti-Communist measure in this whole reciprocal trade program and that every Member should understand it.

Mr. GROSS. Can the gentleman give me one legitimate reason why we should import canned ham and bacon from Poland?

Mr. JAVITS. I will say to the gentleman that I have not the detailed facts before me any more than our colleague, the gentleman from Tennessee. But I respectfully submit the gentleman is begging the question. Reciprocal trade means we are going to make agreements, open up trade channels. It means we can integrate the policy, and let in others, because it helps our consumer's and our country's economy. It does not mean we cannot protect ourselves should it hurt us unduly; on the contrary, we can and do. I think you get completely off the subject and distort it when you set as a criterion a maximum of 500,000 or 600,000 people in the country who are affected by these imports, and whom we should by all means aid in a transition, and disregard the criterion of our own security, of over 60 million Americans who are employed and of 4.5 to 5 million Americans who are strictly concerned with the export industries. Our exports could fall and fall dangerously because we do not do this job.

Mr. GROSS. With the perspective the gentleman has on this question, I would expect just that answer.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. DINGELL] may extend his remarks immediately following mine.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. PRIEST].

Mr. PRIEST. Mr. Chairman, the gentleman from California [Mr. KING], a member of the Committee on Ways and Means, was en route to Washington this morning. His office notified me that the plane developed engine trouble and was forced back. He was very much interested in this legislation, and I make this statement in the RECORD at this time in his behalf.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, 9 years ago this past March from the well of the House I tried to advise my colleagues of the House what our reciprocal trade policy was leading us into. At that time I made the statement:

I object, Mr. Speaker, to my State of West Virginia being made a guinea pig for experiments in the field of international politics.

They have proceeded to make us a guinea pig, and may I say to you that the guinea pig patient today is almost dead.

For some reason, we are so situated that the effects of our trade policy have been more severe on the economy of the State of West Virginia than probably any other section of the Nation. There are scores of other sections that were not affected in the early part of our experience under the reciprocal trade agreements program, because we were out of one emergency and into another emergency. We first had the depression, then went into World War II, then we had a year or two of comparative peacetime administration and then we went into the Korean difficulty. We have never faced a situation where the reciprocal trade policies have been under peacetime conditions until the present, and it is apparent that it is not workable in its present form.

I want to reiterate again that I have not been and am not opposed to the basic idea of reciprocal trade. I have stood in the well of the House for the last 8 years and demanded equality of treatment for the domestic industries of the United States. I object to certain select groups, certain industries, receiving the benefit at the expense of other domestic industries.

At a conference held in the Mayflower Hotel some months ago 113 domestic industries were represented who are being harmed under the reciprocal trade agreements. You will understand why I offered and had written into the legislation the escape clause. I am sorry indeed that that escape clause is not being applied as the Congress hoped it would be applied for the relief of certain domestic industries who are receiving injury under the agreements.

The Tariff Commission has seen fit to set up its own regulations that bar most of those industries from making application. When they do make application, time drags along until they are in the hands of a receiver or are bankrupt before they can get any relief.

Let me remind you as I reminded the Rules Committee on yesterday of just one instance, the hand-made and blown-glass industry. They filed a petition with the Tariff Commission in 1952.

The rules of the Tariff Commission state that they must report within 1 year. Three days before the year expired they reported to the President that the Commission was split 3 to 3 and they were unable to make a determination.

After 45 days the President asked for additional information from the Tariff Commission. That was the 5th day of last December. Up until 30 days ago, the last time I made a check, the Tariff Commission had not supplied the President of the United States with the information he asked to enable him to make a satisfactory ruling. In other words, practically 2 years have passed and still the handmade and blown-glass industry has had no relief. That is why I say it is necessary to rewrite this reciprocal trade law and make it so that every industry in the United States receives equal treatment.

Let me call your attention to this fact: Out of all the major products produced in West Virginia—let us start in with the pottery industry. We have the largest pottery producing plant in the United States. Thirty-six percent of all the pottery products consumed in the United States in 1953 were imported from abroad. Eighteen percent of all the handmade and blown-glassware consumed in the United States was imported from abroad.

My district has the largest clothespin manufacturing plant in the world. Twenty-five percent of all the clothespins consumed in this country were produced abroad and brought in under the reciprocal trade agreements program.

Now let us get down to the question of our major industry, coal. In the escape clause I attempted to make it possible for the coal industry to get relief by the wording of that escape clause. There is no importation of coal as such. The harm comes from the imports of residual fuel oil. Let me say to you that the daily average for the month of April was 596,000 barrels of residual fuel oil, most of it coming from Venezuela under a reciprocal-trade agreement, which I tried to prevent being written, which allows this type of oil to come in at a duty of 5¼ cents a barrel when originally the import duty was 21 cents. Since that new treaty went into effect, this flood of oil has practically ruined the coal industry of West Virginia. It has displaced 38 million tons of soft coal, which means unemployment for 51,000 miners in the State of West Virginia.

Mr. KELLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. KELLEY of Pennsylvania. The gentleman says that this situation is destroying the coal industry in West Virginia. Let me remind the gentleman that there are other States which mine coal besides the State of West Virginia whose coal industry is being destroyed as is the case in my State of Pennsylvania.

Mr. BAILEY. I am glad to know that the gentleman from Pennsylvania has as much interest as I have. Pennsylvania used to lead the Nation in the production of coal up until some years ago when we took that honor from them.

But, Pennsylvania is a large coal-producing area along with Kentucky, Tennessee, Ohio, Indiana, Illinois, and other sections of the country.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. OLIVER P. BOLTON. Can the gentleman state what the residual fuel oil which was made in the United States was selling for per barrel at that time?

Mr. BAILEY. I do not believe I can give the gentleman that information. All I can say to you is that the first contracts for residual oil imported into this country were for \$1.95 a barrel. They have since cut that to \$1.60 and most of the contracts today are at the rate of \$1.60 a barrel. In return for that cut in residual oil for the express purpose of raiding the coal markets, they have lowered the price on residual oil, but they have increased the price on diesel oil and on lubricating oils which prices have increased a total of 64 to 67 percent. That is to make up for reducing the price on residual oils so as to enable them to raid the coal fields.

Mr. OLIVER P. BOLTON. The reason I asked that question was I was trying to determine whether or not this was a question of competition between industries or competition between an American product and a product coming from a country on the outside. It would appear from what the gentleman says that this is competition between two different industries as contrasted to competition between American and foreign products.

Mr. BAILEY. But your present Reciprocal Trade Agreement Act contains a provision which permits the coal industry to prosecute a claim before the Tariff Commission for injuries.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. EDMONDSON. Mr. Chairman, I commend the gentleman for the courageous fight he is making for the workers and for the industries of his district.

I cast my vote against the rule for this bill, not because I do not favor the principle of reciprocal trade, but rather as a protest against the manner in which this worthwhile program is being administered.

In my own district, the important lead and zinc industry is practically paralyzed today, with thousands unemployed, as a result of administration failure to grant the relief provided for by law to a stricken industry. Yet the imports of lead and zinc continue to flood our markets.

In my district, the important glass industry is also being hurt, and hundreds are unemployed or on a curtailed work week, as a result of uncontrolled imports. The sad plight of the coal industry is well known to all, yet residual fuel oil imports continue unabated, and our domestic petroleum industry suffers under increasing strict proration.

My vote is a protest vote against failure to act, as the law intends, to meet these serious problems in our own country.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. ELLIOTT. Will the gentleman tell me whether or not there is any possibility of relief for the stricken coal area of his State as well as the States of Alabama, Illinois, Kentucky and Pennsylvania as well as other States in the bill which is now before the House.

Mr. BAILEY. There are no possibilities for relief.

Mr. ELLIOTT. What does the gentleman suggest in light of this legislation, as to what may be possible in the future to right the injustices being perpetrated upon the coal areas by the vast importation of cheap residual oil from foreign shores.

Mr. BAILEY. I suggest that we recommit this legislation to the Committee on Ways and Means, and if there are any instructions with the motion to recommit, to begin immediate hearings on the reciprocal trade agreements legislation which will prevent destruction of a large number of our basic industries. Certainly there is no relief under a 1 year continuation of your present situation. Let me answer the gentleman just a little more definitely. I have before me a pamphlet on the oil industry in Venezuela.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. BAILEY. May I ask the gentleman from Tennessee [Mr. COOPER] for 2 or 3 minutes extra time?

Mr. COOPER. I am very sorry but all the time on this side has already been allotted.

Mr. BAILEY. Does the other side have any time?

Mr. REED of New York. Mr. Chairman, I yield the gentleman 3 minutes.

Mr. BAILEY. I thank the gentleman from New York.

Mr. Chairman, I have here a record of the production of oil which is beyond the comprehension of the average American. Do you know that the daily production of oil in Venezuela alone is 1,896,049 barrels? Do you know that they are presently drilling in Venezuela 101 new wells, and that the production of those wells sometimes exceeds 20,000 barrels a day? We have no defense at all against the quality or quantity of that residual oil, which will come in here to complete the destruction of our coal industry.

Let me say to you that the situation is not one particularly affecting the State of West Virginia. Let me say to the gentlemen who represent New England, it affects the textile industry, the boot and shoe industry, the clocks and watches, laces, fisheries. I can go on all over this Nation and give you more than a hundred of our basic industries, that are as old as the Nation itself, that are gradually being driven to extinction and into bankruptcy because of the neglect of this Congress to see that these reciprocal trade agreements bear equally on all of the industries of this country.

If we must have trade with foreign countries, and I agree it is necessary, then let us administer it in a way that will protect all of the industries of America on the basis of equality.

Nobody has denied the charge that I make, that it is operating unequally. We

are simply helpless to do anything about it. A continuation of this for 1 year—it should be dropped, and the committee should give consideration. Again, as I charged before the Rules Committee yesterday, the sole object in asking for a renewal of this agreement for 1 year is for the purpose of completing the trade treaty agreement with Japan. Do not let anybody sell you the idea that there is going to be any selective imports from Japan. Anytime we take them into this agreement, the favored nation clause accords to Japan every advantage that is accorded to any other nation. What is going to be the situation during the next year when you meet this flood of Japanese imports? Already, before any trade agreement is made, glass manufacturing in Japan is crowding the American product off of the shelves. There are seventy-some different articles manufactured in Japan and imported to this country.

Mr. SECREST. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Ohio.

Mr. SECREST. One hundred and thirty million pieces of glassware were imported last year, and 330 million pieces of pottery, and over half of all the wool used in the United States of America comes in from Australia and abroad.

Mr. BAILEY. I thank the gentleman from Ohio.

The CHAIRMAN. The time of the gentleman from West Virginia has again expired.

Mr. ELLIOTT. Mr. Chairman, I will vote for this bill, because a failure to pass it today would result in the expiration of our law governing reciprocal trade agreements, and I think it is important that we have a law. It is important that we have reciprocal trade. The more trade we have the more of our cotton, wheat, corn, and other agricultural products will be sold abroad, and the less danger we have of accumulating surpluses here at home. I think we are all agreed that a healthy program of foreign trade is good for the United States. A study of the years prior to the great depression beginning in 1929 shows that prosperity here at home is closely tied to an active, expanding foreign trade.

Mr. Chairman, this morning I voted against the rule making the present consideration of this bill in order under the restrictive terms of the rule. I voted against the rule as a protest against the fact that the rule does not provide opportunity to amend this bill. There were no hearings on this bill to extend the reciprocal trade law. As important as this subject is we certainly should have had hearings on this bill. These hearings should have been open and with full opportunity to representatives of every aggrieved individual and industry in the country to be heard. Many American industries are suffering from what amounts to be unfair competition of foreign industries. In our effort to promote world trade we must not set up a system that will unduly penalize or harm our own industry. I am one of those who subscribes to the proposition that our own American industry, our own

American labor, our own American capital and management must be given first consideration. Within the limits of completely free world trade on the one hand, and complete tariff protection on the other there is a large zone where world trade, reciprocal trade if you will, can be encouraged and developed and expanded for the good of all America.

A subject of such great importance is entitled to full and complete hearings. In the absence of hearings there should be some way provided for the House of Representatives to amend the bill, some way for the House to work its will on this legislation. I know it is argued that the subject matter is so complex and the ramifications of world trade are so technical that such bills should come to the floor under a closed rule. I will be perfectly frank to say that that line of argument has never appealed to me nearly as much as perhaps it does to most Members of the House. To assert that the House of Representatives cannot do a good job on legislative subject matter that is complex, to say that we must consider the subject of reciprocal trade under a closed rule that primarily permits us to sit here and take or leave what others say about reciprocal trade does not appeal to me. It is like saying that the people do not have the commonsense and intelligence to choose their leaders, or to vote on a bond issue, or some other matter of every day government.

Many industries, many people, are aggrieved by what they say the system of reciprocal trade is doing to them. They should be heard. Many industries and many workers in industry are crying and have been crying for several years now against the treatment that they receive under this law. They should be heard. I realize that the leadership of the House has promised all concerned that hearings will be had come next January. Mr. Chairman, 6 months is an awful long time for a person who is hungry.

The coal industry has been crying out for a long time against what it considers to be the abuses of the present system of reciprocal trade. The import of foreign residual fuel oil is soaking up the remaining markets for our coal.

Mr. Chairman, the plight of America's coal industry should not be taken lightly. The Nation is confronted with the harsh reality of starvation, and mass unemployment throughout the coal fields of America.

Just last night the newly elected Governor of Alabama met with many of the citizens of my home county to try to figure out something that they could all do to relieve the plight of the people living in the county. Walker County, Ala., has been producing coal commercially now for more than 60 years. Its economy is, and in the past has to an even larger extent been geared to a coal economy. During the past several years we have seen our mines lose their markets. We have seen the railroads convert their locomotives to oil burners. We have seen our foreign trade in coal decline constantly. The consequence is that scores of coal mines have been closed, and in their wake has come misery and hunger and want. Walker

County, Ala., has a desperate backlog of unemployment. Many of the coal people there feel that if heavy restrictions were placed on the importation of foreign residual fuel oil there would be at least a few more jobs in our mines. Every five barrels of residual oil that comes in deprives another coal miner of a day's work and a day's wages.

In 1953 Alabama's mines produced 12 million tons of bituminous coal. Most of this output is consumed within the State, for our steel, manufacturing, and power-generating industries are heavy consumers of coal and coke. For example, the Alabama Power Co. uses approximately 1¼ million tons of coal annually in its large steam-generating plants at Gorgas in Walker County, Ala. Also, the TVA is becoming an important user of bituminous coal in its steam-generating plants along the Tennessee River.

Coal production in Alabama in the first quarter of 1954 is 20 percent below the production in the same period of 1953. In the 3 months, January–March 1954 Alabama's coal production was 2,630,000 tons. In the same period in 1953 the production was 3,269,000—a loss of 639,000 tons.

What does our Government propose to do about the plight of the coal industry? I am convinced that it has no intention of encouraging a change in the law that would limit or decrease the importation of foreign residual fuel oil. This question will have to be fought out on the floor of the House and Senate next year when the matter is again before us. I certainly do hope that the Committee on Rules will grant a more liberal rule than it has now, so that we can attempt to bring some relief to the coal industry.

In this country we have 33 billion tons of recoverable reserves of coal underlying about 7,000 square miles of our soil. So, in the case of coal we do not have to worry about supply. Our supplies are adequate for hundreds of years provided we can keep the mining organizations both of labor and capital functioning in the coal-mining field. We may be able to do this if we encourage the coal industry.

I was sorely disappointed when last year the Congress stopped in large part the experimentation in the field of finding new uses for coal. In my home county, in the heart of the Warrior coal field, we had a wonderful experiment in underground gasification of coal. It had been in operation for several years. It was producing results. Its experimentation was within sight of the goal of opening up new practical uses for much of our coal. It was a great mistake to close this experimentation down.

Because mines in the States to the north of us are finding their output of coal backing up as a result of tonnage lost to foreign residual oil, the out of State shipments are moving into our markets in competition with our own mines and miners. As such competition increases, more and more of our mining operations will be forced to close down. Then, what happens in the event of an-

other war? Mr. Chairman, every Member of this body knows that we are living in an age in which the cloud of war hangs heavy over us threatening to erupt at any minute. In the event of another war oil from foreign refineries will be closed to shipping. Coal will be called to make up for the deficiency. Northern mines will be taxed to the limit to take care of the old markets. Alabama will be placed in the position of again looking to her own mines to fill her requirements for industrial energy. If her mines have been closed and sealed up or filled with water, if the machinery and rails have been carted away to the scrap heaps, and if the people who know how to mine coal efficiently have moved away or found their place in some other industry, our plight will be sad indeed—sad because we did nothing tangible to encourage one of our basic industries when it found itself faced with a deluge of cheap foreign oil with which it could not at the moment compete.

Let me say again that I do not for one minute desire to discourage international trade, Mr. Chairman. We export a considerable amount of agricultural and industrial products yearly; in fact, we ship from the port of Mobile more than a hundred thousand tons of coal to South American countries each year. But surely no one here is so naive as to believe that our good neighbors below the equator would buy that coal from us if they had a sufficient domestic supply and if those imports were damaging to the home economy. Of course not. Each South American country is protected by tariffs, quotas, conversion requirements, and whatever other devices are necessary to prevent foreign-produced commodities from interfering with local industry and labor. That is all we can ask of our own trade policy. Let us have international trade to the fullest, providing that we do not unduly injure ourselves in doing so.

I have indicated that I believe strongly in reciprocal trade. But, I appeal to you that we do not in the name of reciprocal trade weaken our defensive structure, destroy our basic coal industry, and create further widespread unemployment in the United States.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. WAINWRIGHT] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[Mr. WAINWRIGHT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. MCGREGOR].

(Mr. MCGREGOR asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MCGREGOR. Mr. Chairman, H. R. 9474, the bill before us for consideration, extends for 1 year the existing authority of entering into trade agreements with foreign countries. I am in accord with the basic idea of reciprocal trade, but I am definitely opposed to any program that penalizes certain portions of our economy and advances others. It is unfair for certain industries and certain farm commodities to absorb the shock of imports and world trade. This legislation affects all Americans, the farmer, the working man, and the consumer. In my opinion, it will determine whether we go forward to a higher standard of living with a higher standard of wages, or whether we will be forced into another depression or recession, which will mean lower standards of living for all of us. The passage of this bill simply means a continuance of the present foreign trade program and will close many industries, including the pottery, glassware, cycle industry and certainly it will do tremendous harm to the farmer and our economy in general. There is no possible relief for our people in this legislation. This bill comes to us under a "gag" rule, which allows no amendments and which means that we have to either accept or reject it as written by one committee of this Congress. Excepting a few instances, I am not in accord with such a procedure. I believe that this bill should be amended to allow Congress to retain the authority to establish certain standards of guidance, so the people, business, labor and agriculture will know what to expect. I believe this bill should be amended so that we can definitely establish a procedure for the peril-point provision to be operative. This will be a stop, or, at least a slow clause, which will help protect the American workers, farmers, and industrialists from low-wage-rate goods imported into the United States from foreign countries. The peril point, properly enforced, would prevent glassware, tableware, pottery, Russian furs, Red Chinese dried eggs, and other farm and industrial products from being sold in the United States cheaper than they could be produced here. We all believe in reciprocal trade, but let us make sure that it is reciprocal, taking into consideration the welfare and living standards of our own people. May I repeat, this bill is simply extending a law which forces us to compete against our own tax money and grant favoritism to our foreign competitors.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, I rise in support of the pending legislation. I do so, however, with regret that there is an apparent necessity to do so. The necessity arises from the fact that the Committee on Ways and Means has filed its report and therein states:

The present authority to enter into reciprocal trade agreements exists by virtue of the 1-year extension enacted last year during the first session of this Congress (Public Law 215, 83d Cong., 1st sess.). As part of that extension legislation, provision was made for the creation of a commission to

make a thorough examination of our foreign economic policy. The 1-year extension of the reciprocal trade agreements authority was intended as an interim measure designed to maintain the status quo pending completion of the study by that commission. The report of the Commission on Foreign Economic Policy was transmitted to the Congress January 25, 1954. However, your committee's heavy schedule involving tax, social security, unemployment insurance, and other legislation has made it impossible for the committee to hold the thorough public hearings which the Commission's recommendations obviously require. As a result, pending such hearings, your committee believes another 1-year extension of the reciprocal trade agreement authority is appropriate.

There is no doubt that the Ways and Means Committee has been exceedingly busy. The legislation mentioned in the report was vitally important and required immediate attention. The committee, in an endeavor to fulfill its duties, worked day and night and even during the recess of Congress. It was no easy task. Chairman DANIEL REED and the members of the committee are entitled to the highest commendation for its achievements. It is a record that has never been exceeded.

Now, that important matters such as tax revision, social-security improvement, and more adequate unemployment insurance, together with all the other matters that have required the attention of the committee are out of the way, it is hoped that the committee with the same zealotness that has already been shown in dealing with these matters will be shown in connection with a revision of the Tariff Act of 1930, as amended.

The importance of a full and complete consideration of our tariff laws cannot be overestimated. The time has come when this important job cannot be delayed without bringing serious and detrimental results to American industry and our workers. Already many industries have been damaged, some have been closed, and thousands of workers are out of work because of the inability of our producers to meet the competition coming from foreign goods produced in countries where the wages paid are only one-tenth to one-third of what is paid in this country to our workers. If we are to sustain our American wage rate and standard of living then something must be done to rectify the situation that now exists.

Our American markets are being flooded with cheaply produced goods from abroad. Much of our present unemployment is due to this unfair competition. If something is not done to protect our workers from this unfair competition the ranks of the unemployed will increase and industries that give employment will close and pass out of existence. This is not merely a theory. It has already happened and will continue to increase unless stopped by legislation that will put our workers in a position where they can successfully compete with foreign produced goods.

Nothing could more clearly explain the reason that American produced goods cannot, in many instances, successfully compete with foreign productions, than

to compare the average hourly earnings for all workers in industrial occupations in the United States and selected foreign countries, as set forth in the following table, prepared with great care as to accuracy:

Country	Period covered	Hourly earnings (United States currency)
United States.....	October 1953.....	\$1.78
Canada.....	September 1953.....	1.38
Sweden ¹	May 1953.....	.75
New Zealand ¹	March 1953.....	.69
Norway ¹	Second quarter, 1953.....	.60
Switzerland.....	October 1952.....	.57
Argentina ¹	March 1953.....	.57
Belgium.....	Third quarter, 1952.....	.48
United Kingdom.....	April 1953.....	.47
France.....	April 1953.....	.46
Germany.....	May 1953.....	.44
Italy.....	July 1953.....	.37
Ireland.....	June 1953.....	.35
Japan.....	Year 1952.....	.19

With wages in other countries so much lower than those in the United States it is obvious that, other things being equal, commodities can be produced in those countries more cheaply than they can be produced here. In many instances the products of other countries can be landed in the United States at prices lower than the costs of production of competitive American products, and hence can undersell our domestic producers, to their injury.

We must not overlook the fact that increased importation of numerous products that come into competition with the output of factories, farms, and mines of America, replacing the products of America's industries, is a constantly increasing menace to our country's continuing economic stability.

The lower wages paid abroad make it impossible for many of our smaller and medium-sized producers to compete with imports without resorting to ruinous price cutting, which in turn results either in financial losses or heavy pressure for wage reductions and outright unemployment.

Pressure that comes from imports of residual fuel oil have risen from an average of 50 million barrels in the 1946-48 period to more than 125 million in 1952, or the equivalent of 31 million tons of coal; from imports of pottery, watches, and parts, glassware, lace, carpets and other textiles, hats and millinery, chemicals, scientific apparatus, cutlery, dairy products, wallpaper, luggage and leather goods, and many other articles, will render the upholding of the economy at its high levels most uncertain and difficult, unless all import trade is placed on a fair competitive basis and the potential injury therefrom thus contained.

I am hopeful that during the coming year the Congress of the United States will provide adequate safeguards in tariff and trade legislation against the destruction or lowering of our American standard of living, the labor standard of our workmen, and the stability of our economy by unfair import competition and that the existing trade agreements legislation be amended accordingly.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire

to the gentleman from Iowa [Mr. MARTIN].

(Mr. MARTIN of Iowa asked and was given permission to revise and extend his remarks.)

Mr. MARTIN of Iowa. Mr. Chairman, the bill under consideration at this time is H. R. 9474, to extend for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act. I supported this bill in the Committee on Ways and Means and I will vote for it when it comes up for passage by the House of Representatives later today.

The President's authority to enter into trade agreements under present law expires tomorrow, June 12. While it is not absolutely necessary to enact new legislation prior to the expiration of the present law, all interested parties are entitled to know what congressional action is contemplated.

On January 25, 1954, Congress received the report of the Commission on Foreign Economic Policy covering their study in this field. That study and report has been available for the use of the Committee on Ways and Means from the time of its receipt by Congress.

From January 25, down to date, however, the Committee on Ways and Means has been exceedingly busy with other legislation over which the committee has jurisdiction, such as the complete revision of the internal-revenue law, the special revision of the excise-tax laws, the revision of our social-security law, and the revision of the Federal unemployment-insurance law. The special staff serving the Committee on Ways and Means reported a total of more than 300,000 man-hours of skilled labor expended by them on the revision of the internal-revenue law alone. This great load of work, together with additional proposed legislation still pending before the Committee on Ways and Means, has made it impossible for the committee to complete its study and analysis of the report of the Commission on Foreign Economic Policy and to hold the extensive public hearings which the Commission's recommendations require. It is also not possible to complete this task before the adjournment of this session of Congress. Under these circumstances, it is best to extend the present law for 1 year as provided by H. R. 9474 and to plan for full-scale hearings, study, and revision of our laws authorizing the President to enter into trade agreements. Under the circumstances confronting the Committee on Ways and Means I appeal to the Members of Congress to support the bill now before us.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

(Mr. D'EWART asked and was given permission to revise and extend his remarks.)

Mr. D'EWART. Mr. Chairman, I shall vote for the extension of the reciprocal-trade program for another year with great misgivings. Montana is a raw-material State and is injured by certain imports such as wool, mustard seed, lead, and lumber. If the provisions of

the law to protect domestic producers of these and other items injured by cheap imports were used in the way Congress contemplated, then we would not have the problems faced by these raw-material producers. Unfortunately, experience has shown that we cannot look for relief as is provided in the law.

However, in spite of the failure to carry out the law as contemplated by Congress, I am going to vote for this 1-year extension. I do so in hopes that the studies now planned will result in better legislation than seems possible if this extension should be killed with only a few weeks remaining in the session. At least, the legislation does not implement the Randall report and it will give opportunity for further study and for hearings later to demonstrate the damage that is being done certain domestic producers.

Further, inasmuch as the administration believes that this extension will help in maintaining peace in the world, I am unwilling to stand in the way of its enactment.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. MACK].

(Mr. MACK of Washington asked and was given permission to revise and extend his remarks.)

[Mr. MACK of Washington addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, as we consider the legislation before us which will extend the right of the administration to make additional trade agreements for 1 year, let us not lose sight of the fact that this bill is in lieu of a bill which would have given the same right but would have greatly extended the limits within which the parties might negotiate. In other words, this particular bill, while it gives authority to make new agreements, does not give the administration the additional authority requested by the Randall Commission, and which included the added right to cut tariffs substantially further than they may be cut on the basis of existing law. Therefore, some of us who oppose the extension of the right to make new agreements, who do not like the reciprocal trade agreements program as it has been and is being administered, in accepting this bill instead of what in our opinion is infinitely worse, are doing a service. At the same time we are given assurances that it is the intention of the Ways and Means Committee to do what it cannot do today, namely, hold hearings, involved hearings and lengthy hearings in a determined effort to investigate just what this situation is with respect to imports and their effect on our domestic economy.

There are many who will willingly accept the recommendations of the Randall Commission in the belief that that commission did have hearings. But I was one of the members of that commis-

sion, and I say that the Members of Congress would throw up their hands in horror if the chairman of this committee were to hold hearings as those hearings were held. There was no opportunity whatever for an aggrieved businessman to come before that commission and to tell them what was happening to his employees as a result of the reciprocal trade agreement program. There was no opportunity to cross-examine the witnesses who, handpicked, as they came before that commission and testified in their own interests, and then when the time came to cross-examine they were released and were not subjected to cross-examination.

It was, in my opinion, an entirely unfair way to conduct a hearing if you wanted to find factually and actually just what the effect of the trade agreements program has been on the American workman and the American businessman.

So the Ways and Means Committee, when we meet next year, will begin hearings on this problem and every businessman who is aggrieved or who supports this program will have an opportunity to present his plea to the committee. The internationalists, those who believe that our trade should be used as an implement of international politics, may come before the committee and present their views and all will be given a fair and a proper hearing. That cannot be done between now and the day we must adjourn. It will be done next year; and, therefore, because of the plea made today by the administration, which I will not contradict, namely, that we can by making an agreement between now and next year, effectively prevent the spread of war in Asia, possibly make permanent the peace which we now enjoy. I am unwilling for this 12-month period to stand in the way of those who affirm that trade agreements possibly will avert war in the foreseeable future. Consequently, I repeat, I am willing to go along with this renewal for a 12-month period and I ask the Members of the House to do so.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. GAVIN. You state here today that various segments of our industrial life that are being seriously affected by these trade agreements are going to be given fair and equitable consideration to adjust these agreements to give them some relief? I sincerely hope that the gentleman is correct in the position he has taken.

Mr. SIMPSON of Pennsylvania. I say that there will be hearings held by the Ways and Means Committee after the first of the year, at which time the business people of the country will have the right they have always had in the past to come before the Ways and Means Committee and present testimony as they have done in previous years.

Mr. COOPER. Mr. Chairman, I yield such time as she may desire to the gentlewoman from West Virginia [Mrs. KEE].

Mrs. KEE. Mr. Chairman, today the Republican Party is closing the door of

human kindness on the coal miners, railroaders, and many other workmen in West Virginia and elsewhere. My intuition tells me that I should concede that the cruel political maneuverings taking place today are a foregone conclusion, yet I feel it is my sworn duty to my constituents to make this last-minute plea in their behalf.

Last year the Republican Party implied that conditions in the coal industry would be taken into consideration when a new foreign-trade program was formulated. In the interim there has been an increase in the amount of residual oil imports and a proportionate decrease in coal industry employment. The distress has spread throughout whole communities in our State, and there is simply no justification for the Republican Party's breaking its promise at this crucial time.

Aside from the administration's inhuman disregard of the plight of our people, the manner in which the Trade Agreements Act extension is being rushed through this legislative body is simply alarming. Even the most heartless politician should concede that the voices of the people in communities stricken with heavy unemployment should be heard before Congress decides on legislation to extend the prevailing disaster. Yet the Republican Party leadership is now attempting to slip through this bill—which affects the very existence of millions of American people—in less than a week's time.

Mr. Chairman, I simply cannot understand how anyone can in conscience approve such tactics even in an election year. Why is not the administration willing to face the issue when it is of such vital concern to the men, women, and children of our country? You have heard Members of the House from 38 States vote in support of legislation to restrict residual oil imports. You have heard the Governors' Fuel Conference appeal for legislation that would remove inequitable foreign competition from coal's markets. How can these appeals be ignored to the extent that hearings are refused for the sake of political expediency?

Apparently the Republican leadership considers these tactics good politics. I do not know, but I can say without equivocation that they are in direct violation of moral and religious principles. I insist that our people deserve and are constitutionally entitled to an open hearing to present their case before this political stratagem is carried any further.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, the procedure under which the House is considering H. R. 9474 prohibits amendments which are necessary to bring the Reciprocal Trade Act in line with the economic developments of the postwar period. I protest this closed rule which is a departure from the procedure under which this act has usually been considered by this body. Only the 80th and 83d Congresses have brought this bill to the floor on a take it or leave it basis.

Economic conditions of the postwar period are quite different from those of the days in which the original act was passed. Today we have approximately 4 million people unemployed and certain industries are in critical shape. For example, the coal fields of eastern Kentucky, which includes the major portion of the district which I represent, are in a very serious economic condition. More than 40 percent of the miners in that area are unemployed and have been unemployed almost 6 months. One of the major reasons for this high rate of unemployment is the dumping of residual oil on the east coast by Venezuela and other oil-producing countries to compete with our domestic coal. This residual oil is a byproduct with the volume depending on the process used to refine the oil. In areas where they use old or obsolete machinery, the volume is very great. This is particularly true in Venezuela and the increased imports of residual oil have created a serious unemployment problem in the coal fields.

For the month of January 1954, the imports of residual oil amounted to 490,000 barrels per day or the equivalent of 125,000 tons of coal each day. With a daily coal production approximating 1¼ million tons, this amounts to oil imports equivalent to 10 percent of our national coal production. The Reciprocal Trade Act which you now propose to extend prohibits any action that would stop this increased importation of residual oil. I believe in free trade and am in accord with the general principles of the Reciprocal Trade Act. However, free trade should not be considered as a license for special interests to dump byproducts into this country at the expense of one of our essential industries—coal. In the face of this fact, I must oppose this bill so long as it comes before the House under the closed-rule procedure.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Georgia [Mr. BROWN].

Mr. BROWN of Georgia. Mr. Chairman, I have been a Member of this body for 21 years. I have never opposed worthwhile legislation merely because it originated on the opposite side of the aisle. Let me assure you I shall continue this policy. These are truly perilous times through which our country is passing. All of us should work together as a united team for the welfare of all.

The extension of the Reciprocal Trade Agreements Act is of particular importance to Georgia and the South. Agriculture constitutes a significant element in our economy and agriculture is not in a healthy condition. Net farm income declined 7½ percent from 1952 to 1953. The total value of farm real estate in March 1954 was 6 percent less than in the comparable month of 1953.

Economic injury to the farmer is inevitably reflected throughout the rest of the economy. For example, retail sales of farm equipment and machinery ran above 17 percent less in 1953 than in 1952. This decline in the sale of farm equipment has caused widespread unemployment in such farm machinery centers as Rock Island, Ill., and Davenport,

Iowa. Unemployment is now, by official figures, 2 million above that of a year ago. Industrial production, as measured by the Federal Reserve Board, last month was over 10 percent below the level of May 1953.

Many factors, of course, have contributed to our declining farm prosperity, but of major importance has been a sharp drop in agricultural exports. United States exports of agricultural products fell from 3,431 million in 1952 to 2,833 million in 1953. Cotton exports declined from 862 million in 1952 to 517 million in 1953 or 40 percent. The 1953 value is the smallest since 1948. Bales exported totaled 3 million in 1953 as compared with 4.2 million in 1952. Wheat, lard, barley, and soybean oil also showed marked declines.

Over any length of time it is clear that this country cannot prosper unless it exports. This has always been recognized in my part of the country. Historically the South has always been in the forefront of the fight for greater export trade. Southern spokesmen since the days of John C. Calhoun have recognized that in greater export trade lay the future economic prosperity of the United States and the entire world. In more recent times the name of Cordell Hull became synonymous with liberal trade policies and the goal of genuine international cooperation. In 1933, when he inaugurated the reciprocal trade program, we had 30-cent wheat, 15-cent corn, and 5-cent cotton. Economists agree that the primary cause of the great depression was the Hawley-Smoot tariff. This raised our tariff walls to such fantastic heights that foreign countries were unable to sell us anything. They were, therefore, unable to buy anything from us. In addition, in retaliation they raised their tariffs against our goods. Economists likewise agree that it was the reciprocal-trade program more than any other single item which pulled us out of that depression. During the last decade, fortunately, groups who formerly advocated a high protective tariff have adopted a more enlightened position. Such prominent far-seeing businessmen and industrialists as Henry Ford II, and Clarence Randall, now recognize the necessity for the Reciprocal Trade Act.

Mr. Chairman, I should not wish to leave the impression that only agriculture will gain from extension of the Reciprocal Trade Act. Significant segments of United States industry also have a strong interest in exports. In the industrial machinery field, the United States currently sells abroad about 21 percent of its tractors, 30 percent of its graders, 20 percent of its textile machinery, and 15 percent of its trucks. Exports of chemicals are sizable with 25 percent of the sulfur black production being exported, 27 percent of penicillin, 30 percent of DDT, 26 percent of the carbon black, and 40 percent of the copper sulfate. Sales abroad are important to many of the other nonagricultural industries. Exports of lubricating oil equal 27 percent of production, paraffin wax 26 percent, turpentine 24 percent, and rosin 36 percent.

Mr. Chairman, the development of sound multilateral trade among the nations of the free world is our greatest weapon for combating Communist aggression. If we are to break the ties between East and West Europe, we must develop a trade policy which will make it possible for our allies to secure the raw materials they require for economic stability. A third of Western Europe's trade used to be with the Iron Curtain countries of Eastern Europe. If we must for security reasons discourage East-West trade, it is incumbent on the United States to provide a climate which will permit Western Europe to develop its trade in the free world. If we are to keep Japan from trading with Red China and Manchuria, we must permit them to develop their trade in the free world also.

Trade is a two-way street. The fact that the economies of the industrial countries of Western Europe, Japan, and the United States are not complementary does not make it easy. The United States is capable of supplying most of the raw materials needed by these countries, but unless we are willing to buy something—either goods or services—they have no way of paying for these raw materials. Reciprocal trade agreements should not, of course, be used to destroy any of our producers in industry or agriculture.

Mr. Chairman, the case for continuing the reciprocal trade program cannot be refuted. When we trade with other countries we are aiding the cause of world peace. At the same time, however, we are disposing of our agricultural and industrial surpluses. The world must trade or perish. That is the only real question before this body. I urge a favorable vote on H. R. 9474.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Tennessee [Mr. EVINS].

Mr. EVINS. Mr. Chairman, in the consideration of this measure and in consideration of President Eisenhower's unique position in regard to this bill, the old saying comes to mind—"Defend me from my friends, I can defend myself from my enemies."

Some few months ago, as we all know, Mr. Chairman, the President gladdened the hearts of the free world with a statesman-like promise that henceforth we could look forward to an era of "trade not aid," and the slogan caught on—or so we thought. In addition, President Eisenhower promised to include in his legislative program a 3-year extension of the Cordell Hull Reciprocal Trade Agreement Act which expires on tomorrow.

That was a few months ago, Mr. Chairman. Less than a month ago, President Eisenhower—a victim of his friends—made a concession. His concession was to his fellow Republican friends in the Congress—but unfortunately for the free world and American business and American agriculture, his friends, in this particular instance, are those who have been called, with accuracy, entrenched protectionists.

Faced with friendly opposition—shall we say an ultimatum—the President agreed to drop for the present session his drive to gain for the Trade Agreements Act the anticipated 3-year renewal, and has agreed to only the 1-year extension here proposed. The President has been fenced in between his Republican-protectionist friends in the Congress and the lapsing of the present act on tomorrow. I regret immensely that we are not permitted to vote for a 3-year extension of this most important law but rather we are given an opportunity only to vote for a 1-year extension.

As has been pointed out, Mr. Chairman, today is the 20th anniversary of the enactment of the Cordell Hull Reciprocal Trade Agreements Act. During these years, under the operation of this program, prosperity has abounded for American agriculture and for American industry.

This act, as we all must recognize, is designed to promote the widest possible trade in agricultural and manufactured products and to stimulate neighborly goodwill through trade and the promotion of stability and peace.

Last year there was a similar 1-year extension of the reciprocal trade agreements program. At that time, it will be recalled the new administration indicated that an overall study of this Nation's trade and tariff policy should be undertaken—an extensive study in the meantime has been made—the results of this study are included in the so-called Randall report. But notwithstanding the recommendation of the Randall committee and the recommendations of the President, the majority membership of the committee has seen fit to recommend only a 1-year extension of the act.

Mr. Chairman, in supporting the pending bill, I should like to pay, at this time, a brief but sincere tribute to the author of the reciprocal trade agreements program—the Honorable Cordell Hull, my illustrious predecessor, friend, and most distinguished constituent. Judge Hull is beloved and esteemed by the people of Tennessee and freedom-loving people throughout the world. At the present time a suitable tribute in the nature of a memorial to him is being planned and directed at his birthplace near Byrds-town, Pickett County, in the upper Cumberland section of Tennessee.

In a recent conversation with Judge Hull here in Washington, he related to me some of the experiences of his long and fruitful life and particularly of his fight for the development of freer trade among the nations of the world. Judge Hull told me how he had made his first speech in this House for a lower tariff and the principle of reciprocal trade among the nations of the world during his early days in the Congress—and how ultimately his policies were enacted into law when he served as Secretary of State.

I am sure that this story—of a life-long fight for a policy of lower tariffs and freer trade among the nations of the world—should give inspiration to those of us in Congress who sometimes seem discouraged at the slowness and failure of adoption of programs and policies for

the benefit of the people of this Nation and the free world.

Certainly, our Nation must not retreat from a policy of world trade but rather the principles of the Cordell Hull reciprocal trade agreements program must be generously embraced to insure continued markets and thus continued prosperity for American agricultural and manufactured products—but more important, the promotion of stability and peace.

(Mr. EVINS asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SCUDDER].

Mr. SCUDDER. Mr. Chairman, in supporting H. R. 9474 I consider it in the light of an emergency owing to the fact that the present law expires tomorrow. I am not in accord with the operation of the Reciprocal Trade Act, nor with the method by which it is administered.

I believe that the making of tariff rates should be on a realistic program and not made an international political issue.

Several Members of Congress, including myself, have introduced legislation which I feel should be adopted. It would provide that the Tariff Commission would establish tariff rates on a businesslike basis, taking into consideration the wage standards and working conditions of the men employed in the competing industries in the various countries. I do not believe that we should restrict imports, but we should allow American-produced articles to be competitive with such imports. We cannot support our economy with idle workers.

I have discussed this matter with members of the Committee on Ways and Means, and I find that it will be impossible for them to adequately consider tariff legislation during this session of Congress. I am further advised that a special committee will be appointed to make an interim study of the entire international trade program. I have implicit confidence in the members of the Ways and Means Committee to the end that they will come up with a recommendation for tariff legislation that will protect American industries and make possible the sustaining of the American standard of living.

Realizing the great problem facing the administration and the necessity for some law to operate under, I am supporting this extension bill with the hopes that next year we may develop legislation to once and for all take care of this very vexatious and many times discriminatory problem.

(Mr. SCUDDER asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

(Mr. KEARNS asked and was given permission to revise and extend his remarks.)

Mr. KEARNS. Mr. Chairman, I want to rise here today and say that fundamentally I am with the committee, I stand with the concept that we

must build international trade with our friendly nations; however, I do feel that we certainly have first an obligation here at home when American industry is threatened, when American paydays no longer exist when men are out of work.

I have visited Tokyo since the war. I took time out there to visit the industries, to go in and see how they produce their merchandise. I visited the homes where the people of Japan get 11 cents a day for doing piecework. Yet that material that they manufacture and assemble over there is shipped to the United States and put on our markets to compete with products that we produce here.

If there are no objections from members of the committee today, I wish to exhibit a few samples. I brought a few of these along which I would like to show you. I believe in visual education. When you can see something you are more apt to believe what is happening.

I hold in my hand here a toy that is being manufactured over in Japan at the present time. This toy is placed on the markets here for sale at 98 cents. I am going to leave these here. I wish you would examine the workmanship. The detail is marvelous, the mechanical preparation almost perfect. Away back here on the rear of the body they have a little mark "Made in Japan." It would cost in this country \$1.98 to manufacture this toy before it is placed on the market.

Here I have what Japan calls its dream car. Look at the detail of this car. Right up in front here we have a little mark "Made in Japan." Whoever goes in to buy these toys does not look for that, I am sure. This particular job here, made in Japan and delivered for sale in the United States, at \$2.98. It would cost \$5 to make this toy here before it ever goes on the market.

I wish you people who have had experience in manufacturing would examine the workmanship of these toys. Even the men in the plants that are making these toys say they could not in any way improve upon the mechanism or the detail, or the streamlining of these particular toys.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from New York.

Mr. REED of New York. I just want to say I am already receiving requests for some of those, if the gentleman can spare them. Some people who have grandchildren will be very much interested.

Mr. KEARNS. I will see that the Chairman gets some of these, and we will change the name on them to Made in America, I hope.

Now I want to take you over across the Atlantic to Germany. Here is one of their new types of jeeps made over in the American sector in Germany. We have the boy sitting down here. They can put him in the seat. It has a windshield, and it really moves along, too, with this rear-wheel mechanism they have here. It sounds like a jeep when it runs. Over there they make this for

sale here for \$2.90. Here it costs \$5.25 to produce it.

I do not want to take any more of your time to go into this, but up in Erie and up in Girard, Pa., I have a plant employing from 1,600 to 1,800 men normally. Today I have 110 men working up in those plants. Those men up there are not against Japan making toys; they are not against Germany making toys, but those men up there want to know what is going to happen to them about paydays, how they are going to pay the mortgages on their homes, and how they are going to eat, while this distinguished committee tells us that a year from now we are going to have all these matters adjusted and everything will be taken care of so that there will be the practical application of the peril clause or the crisis clause or whatever you wish to call it. My duty to my constituents back home, I feel, is merely to appeal to this body that in the future we will try to consider the American workingman who wants to make a living and exist in this country as well as those who are trying to get along abroad.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Mississippi.

Mr. SMITH of Mississippi. The gentleman has mentioned imports from Germany and Japan. Those two countries are considered as anchors against communism in the free world, and the whole object of our foreign policy today is to keep them outside the Communist orbit. We spend each year billions of dollars in an effort to do that. Does the gentleman not think it is a whole lot cheaper for the American taxpayer to help keep the economy of Japan and Germany going by buying a few toys than it is for us to have to subsidize them to the tune of four or five billion dollars every year as we are now doing?

Mr. KEARNS. I would like to reply to the gentleman by saying that I have no grievance against them making toys, but I do not want a system prevailing where you practically knock out an industry in a town and penalize particular areas of the United States.

Mr. SMITH of Mississippi. I think it would be far better for us to give \$2 or \$3 million a year to your people in your home town and save some billions of dollars correspondingly in the nature of subsidies abroad.

Mr. KEARNS. Will the gentleman kindly introduce a joint resolution to that effect so that I can take that message back home?

Mr. SMITH of Mississippi. I will be glad to support the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Iowa.

Mr. GROSS. I would like to have the gentleman include in that resolution a plant in my district making woolen gloves and mittens that was out of production for most of the last year because of imports from Japan and Hong Kong.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from California.

Mr. HUNTER. I would like to ask the gentleman from Mississippi if he would be willing to abolish import quotas on cotton.

Mr. SMITH of Mississippi. The import quota on cotton is put there to protect the price support program of the United States. I would be quite willing to abolish the tariff on cotton.

Mr. HUNTER. Quotas are imposed to protect American cotton farmers against injurious foreign competition. The purpose is the same as a tariff.

Mr. SMITH of Mississippi. According to the testimony of all people who instituted this program, the import quota on cotton is the same quota as exists on every other commodity for which there is a price support program, and that is there to protect the American Government. It is not designed to protect the cotton producer.

Mr. HUNTER. The importation of cotton is limited by quota and otherwise to about one-tenth of 1 percent of the domestic production. The reason for quotas is to protect the American cotton grower. Cotton is grown in large quantities in my district.

Mr. SMITH of Mississippi. All the history of the legislation makes it clear it is not there to protect the cotton grower, but to keep the price-support program from applying to any but domestic production.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to compliment the gentleman on a very fine statement and the display of foreign-made toys and prices which they are produced and sold in competition with American-made toys. I think he has given the Members of this House something to think about and that these trade agreements should be adjusted to meet this type of competition.

I have in my district, which adjoins that of the gentleman of Pennsylvania [Mr. KEARNS] the Holgate Toy Co., of Kane, Pa., manufacturers of wooden toys. They find themselves in the same position as the manufacturers in the gentleman's district. They are having the toughest time in their history to stay in business. It is about time we developed some legislation that will afford relief to these people who have been in this toy industry for many years to protect the toy industry and the hundreds of people who are dependent upon it for their livelihood.

The gentleman from Mississippi talks about his district. I am interested in my district and its industrial life. I am interested in the protection of the jobs of the people that are trying to make their living in competition with the industries in foreign countries. These American industries are entitled to our protection from invasion of cheap foreign products that are making their business difficult. That protection has not been given them in the past several years. So let us not get too broad-minded about this whole situation. I

want to be considerate, however, when it concerns the bread and butter and the social standards of the people in the area which I represent. I want to see legislation that is fair and equitable and will give American manufacturers the opportunity to stay in existence.

Mr. RIVERS. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from South Carolina.

Mr. RIVERS. May I say to the gentleman from Pennsylvania that we grow cotton in the South, and we have the same problem with our textile industry that the gentleman has with his industries. Our textile industry has gone through the same pains that the gentleman is talking about. We are having the same cheap competition from Japan. Our people are now begging every opportunity, and the United States Government, through this fellow Fleming down yonder, will not even let our people get a contract in competition. We not only have Japan against us, we have the United States against us. This is a problem in which we are all involved.

Mr. KEARNS. May I say to my distinguished chairman [Mr. REED] and the members of his committee that I appreciate the opportunity of speaking here. Let me say also that it is no reflection upon what you are trying to do. I am here merely trying to beg consideration for an industry that is being put out of business.

Mr. REED of New York. I have no criticism of the gentleman from Pennsylvania.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island [Mr. FORAND].

(Mr. FORAND asked and was given permission to revise and extend his remarks.)

Mr. FORAND. Mr. Chairman, reluctantly I am going to vote for this bill. I say "reluctantly" because I am realistic enough to realize that we must have a reciprocal trade agreement in operation due to the circumstances that exist not only in this country but throughout the world at the present time.

I am reluctant to support further the Reciprocal Trade Agreements Act as it is now written, and I regret that there was not an opportunity for the committee to hold hearings and give our industry representatives an opportunity to appear and tell of the situation in their respective industries which they feel could be remedied by amendments to the Reciprocal Trade Agreements Act.

Circumstances have developed that make the Reciprocal Trade Agreements Act an instrument that should be used to its full extent, but unfortunately it is not being used to its full extent at the present moment. I refer particularly to that part of it dealing with the peril point and the escape clause. I was one of those who insisted on the escape clause being written into every treaty once it was written into the treaty with Mexico. I was promised some years ago by representatives of the State Department who were in my office that if I would vote for this legislation the escape clause would be used when a showing was made that an industry was being seriously damaged.

In my own State of Rhode Island several of our small industries today are suffering terribly as a result of foreign competition, but it seems that no relief can be gotten for them. I refer particularly to the lace industry. There are in this country, I believe, around 100 lace mills, and approximately 80 percent of them are in the State of Rhode Island. It is a small industry. I refer also to the jewelry industry, 90 percent of which is in my State and in that part of Massachusetts represented by our Honorable Speaker in the House of Representatives, JOE MARTIN. I refer to textiles—yes, several industries are deserving of relief right now. Unfortunately, under the bill that is going to be passed here today; there is no hope for them at this moment. They will have to wait at least a year. The chairman and other members of the Committee on Ways and Means have said that they will make this the first order of business in the next Congress, and hearings will be held on it and so forth. Well, of course, it is good to have promises, but I must say that I, for one, believe that those Republicans who are making the promises now will not be in control next year to make good on these promises because the Republicans will not be in the control of this Congress.

On January 18, 1954, I brought the problems of the industries in Rhode Island to the attention of the Secretary of State in the following letter:

JANUARY 7, 1954.

The Honorable JOHN FOSTER DULLES,
The Secretary of State,
Department of State,
Washington, D. C.

MY DEAR MR. SECRETARY: The administration's slogan of "Trade not aid," plus recent newspaper reports that the Randall Commission looks with favor upon the idea of further reducing tariffs, is causing a great deal of uneasiness and worry, to many workers in my home State of Rhode Island, where unemployment is mounting every day, through the reduction of working hours in some plants, the laying-off of a part of the work force in others, and even the outright closing down of still other plants where the companies go out of business.

Several reasons are given for this change, which is having a dire effect upon our economy, and in practically every case the adverse effect of the tariff on our industries is given as the major factor. This applies to textiles, rubber footwear, and laces.

Many of the so-called small industries, which employ only a few thousand workers each, apparently, are looked upon by some as the type of industry that can be sacrificed on the altar of "Trade not aid," in an effort to help bolster the economy of friendly foreign countries.

I cannot accept that philosophy and respectfully urge you to reject it.

Many of these small industries are located in Rhode Island. They mean much to us and must not be sacrificed, but instead should be encouraged and given protection.

The Lever lace industry, which comprises some 80 mills, has 53 of these mills in Rhode Island and furnish employment to nearly 10,000 workers.

For your information, I am enclosing samples of hundreds of letters I received on the subject from lace workers in my district.

The manufacture of jewelry is another so-called small industry with approximately 90 percent of it located in Rhode Island and employing about 25,000 workers.

The low wages paid foreign workers, as compared to the wages paid for comparable work in the United States, is so out of proportion that unless proper tariff protection is provided our plants may have to close and our workers forced to join the ranks of the unemployed, which in Rhode Island is mounting at an alarming rate.

The argument that workers displayed in this manner could be retrained and the manufacturers given financial assistance in a changeover to other lines is not a sound one, in my opinion. It raises several questions.

The first is: What wages would be paid to the trainees? I am sure it would be far below what these experienced lace workers are now earning. The second is: What would happen to the aged and other workers who would not be amenable to retraining? How many of them would be forced to go on relief? The problem this would present is a most serious one, not only of economics but also of morale, and should receive most serious consideration.

The cost of the readjustment of these people, plus whatever financial aid might be given to the manufacturers, could well exceed the amount of aid now given foreign countries.

In the name of, and on their behalf, I strongly urge you to give these workers most serious consideration before you recommend any reduction in existing tariffs.

Sincerely yours,

AIME J. FORAND,
Member of Congress.

On January 18 I received this reply from the Department of State:

DEPARTMENT OF STATE,

Washington, January 18, 1954.

The Honorable AIME J. FORAND,

House of Representatives.

MY DEAR MR. FORAND: Reference is made to your letter of January 7, 1954, acknowledged by telephone on the 12th, in which you express on behalf of workers in the textile, rubber footwear, and lace industries anxiety concerning the employment situation in Rhode Island. You call attention to the problems involved in a changeover of the workers to other types of employment, and strongly urge that the welfare of these workers be given most serious consideration before recommendations are made for any reduction in existing tariffs.

In recommending that a study of our entire foreign economic policy be made, the President expressed his interest in the development of a policy with respect to our foreign trade which would contribute to an expanding level of international trade and at the same time provide adequate safeguards for domestic industry, agriculture, and labor. The Congress, in the authorizing legislation, directed the Commission on Foreign Economic Policy to "examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy * * * and to recommend appropriate policies, measures, and practices." The Commission's work is now nearing completion, and it is expected that its recommendations will be submitted to the President and the Congress in the near future. There will be opportunity for both executive and congressional consideration of the report in the development of a policy for the United States responsive to our national interests, domestic, and foreign.

In the meantime, while the Government's approach to the problem of international trade is being formulated, the existing trade program with its safeguards for domestic industry remains in force. Under this program the escape clause procedure provides for determining the effect on domestic industries of imports of any of the products on which tariff concessions have been granted in trade agreements. With respect to any such items the Tariff Commission would undertake an

investigation at the request of any interested party to determine whether as a result of these concessions the commodities affected are being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry. Should the Commission find evidence of actual or threatened injury, it would then recommend to the President such measures as it considered necessary to remedy or prevent the injury.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

I also wrote to the Commission on Foreign Economic Policy and to the Tariff Commission and received the following replies:

COMMISSION ON
FOREIGN ECONOMIC POLICY,
Washington, D. C., January 15, 1954.
Hon. AIME J. FORAND,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN FORAND: Mr. Randall has asked me to thank you for your kind letter of January 8, and to express his appreciation for your constructive comments with respect to tariffs and industry, together with copies of letters you have received.

The problems to which you refer, including those of readjustments incident to industrial dislocations of whatever cause, have been the subject of most serious and searching inquiry in the course of the Commission's work. We have had very excellent presentations of information on this subject generally, and in particular we are in receipt of a number of letters from representatives of the lace industry, including substantive statements from the Lace & Embroidery Association of America, Inc., of New York, and the American Lace Manufacturers Association, Inc., of Providence, R. I. All of this material has been brought to the attention of the members of the Commission and referred to our research staff, where you may be sure it has received attentive consideration.

Intensive effort on the part of the Commission in recent weeks has now resulted in the completion of our report, which will be published shortly. A copy will, of course, be transmitted to you as soon as it is printed.

With appreciation for your interest.

Sincerely yours,

LEWIS C. MATTISON,
Assistant to the Chairman.

UNITED STATES TARIFF COMMISSION,
Washington, D. C., January 28, 1954.
The Honorable AIME J. FORAND,
House of Representatives.

DEAR MR. FORAND: I have your letter of January 8, 1954, with which you enclose copies of five letters received by you from lace workers in Rhode Island, all expressing concern about possible future reductions of United States tariff rates on lace.

The concern of the lace workers apparently is based on publicity in recent months regarding the general tariff policy of the United States and on the possibility that the Commission on Foreign Economic Policy may make recommendations leading to the enactment by the Congress of legislation which might result in the rates of duty on lace being reduced.

The Tariff Commission is not aware of any proceedings now pending or contemplated having the specific purpose of reducing the rates of duty applicable to imported lace. The Commission is unable to predict what the future tariff policy of the United States will be and whether any such proceedings will be initiated at some future time.

Sincerely yours,

EDGAR B. BROSSARD,
Chairman.

Mr. REED of New York. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. WAMPLER].

(Mr. WAMPLER asked and was given permission to revise and extend his remarks.)

Mr. WAMPLER. Mr. Chairman, I rise in opposition to this legislation and to the extension of the reciprocal trade agreements. I voted against granting the rule to bring this legislation to the floor. I did so for a number of reasons. I appreciate the problems that confront this great Committee on Ways and Means. I appreciate the problem they have of trying to gain for us world markets and to keep trade flowing freely among the freedom-loving peoples of the world. I represent a district in southwest Virginia which is predominantly a coal producing district. I had at one time about 17,000 men gainfully employed in the coal mines of my district. Today, I would say conservatively that at least 7,000 of those coal miners are out of work. I wish every Member of this House could have been with me last weekend when I traveled through the coal producing areas of my district. The things that I saw there were certainly not a sight welcome to my eyes. I could go back to my district this fall and I can talk economics and reciprocal trade agreements to my people who are out of work, but that would not be of much consolation to them. I think that this great Nation of ours has been pretty benevolent since the close of World War II. We have tried to help those who fought with us side by side during World War II, by making grants of economic aid, of technical assistance, and of military aid. But, you know, I reckon I am a little old fashioned in my thinking. Some people may call me a reactionary or a mossback or apply some other label, but I am an American. I think what Communist Russia and those who adhere to her philosophy of government fear most from our country is not our atomic bomb or the hydrogen bomb or any thermonuclear weapon that we may have—I think the thing that they fear most of us is our great capacity and our great potential to produce in this country. I believe with about 8 percent of the world's population, we are producing one-third of the world's goods and services. So, if we do have a secret weapon in this country, I submit it is this great economic system which has been developed throughout the years. So the thing I want to see is some protection afforded those industries that have been damaged, and certainly the coal industry of America has been damaged by the importation of foreign residual fuel oil. Once again, I want to say to this great committee I know they worked long and hard upon this very complicated problem. I am voting against it simply because I believe to do so is to the best interests of my people at home. I hope in the remaining days of this session, and in the next Congress, certainly, we can enact some legislation which will bring relief to those industries that have been hurt—and particularly the coal industry of America. Certainly, I am not against reciprocal trade agreements or any type

of agreement which would bring about a working policy of foreign trade, but when it begins to destroy our own domestic American industries, then I am opposed to it.

Mr. COOPER. Mr. Chairman, I yield 8 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I do not believe we will have another issue before the Congress that is going to divide Democrats and Republicans, as is this issue here today, and we are passing it over lightly.

I have looked at the five words on this dais ever since I have been here, and wondered why they were put there. The first word in that group is "Union." I believe this act is going to disunite the Congress and the people of the country more than any other issue we are going to have this session.

I am glad the gentleman from New York [Mr. REED] has come back. I am an admirer of this great American from New York. I believe he is a great American. He is a man of deep convictions and unbounded courage, and always stands for what he believes is right. I disagree with the rule that he asked for yesterday before the Rules Committee, that there should be a closed rule brought to this House, that the representatives of the people could not work their way upon this bill and have a chance to amend it. I heard the objection raised that there would be hundreds of amendments offered. If those amendments were offered and voted up or down, would that not be the American way of treating any piece of legislation that is brought before the Congress?

It was Thomas Jefferson who said that he believed in the commonsense of the common people of this Nation. When those in power before him had said, "No. We are autocrats. We are the ones who have the brains. We know what is best for the people of America," he said, "I do not believe so. I have great confidence in the commonsense of the people of America." And he was elected President of the United States on that one philosophy.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield.

Mr. REED of New York. Of course I thank the gentleman for what I consider an exaggerated compliment as far as I am concerned. I am just a hard worker in the field, the same as the gentleman is. I do not profess to know any more than any other person on the floor. I have a responsibility and I try to discharge it.

I want to say to the gentleman that both parties over the years have discovered that it is absolutely necessary on very important legislation of this kind not to bring it to the floor without a closed rule. We tried that once on a tax bill and it had to be vetoed. It was simply emasculated. So it is no variation from the rules that I am following in asking for these closed rules. It is for the protection of the legislation, and that is all.

Mr. STAGGERS. I know it is your sincere belief. I am only arguing a dif-

ferent point of view that I believe in. I was elected to represent a third of a million people and they should have a voice in whether a bill should be amended on this floor. I believe that is the fundamental American right of every American citizen and his Representative.

It has been argued that the most important thing in these trying days is allies. I say that that basic philosophy is wrong. The basic thing that we need in America is a united and strong America. We have argued that we are going to promote communism abroad if we do not take care of unemployment. My faith in America is that the strength of America does not lie in our great productive capacity, as has been said here today, and in our great armies and our Air Force. I think that is wrong. The strength of America lies in the hearts and souls of our people, and they are not legislators who are here, but people who represent us in all walks of life. France had the greatest land army this world has ever known, in 1939 and it took Germany just 29 days to bring that army to its knees.

We say that competition is needed to make for efficiency. Do we want to raise the standard of living of the other peoples of the world or do we want to lower ours down to theirs? I say raise theirs not lower ours.

Let us not lead America into unemployment and poor economic conditions. I get many, many letters from parents saying their children are hungry, that they do not have enough food to feed them or clothes to clothe them and they cannot get unemployment relief because funds have run out.

I think our basic obligation is to take care of hungry Americans in this country. If you are fearful of communism in this country, if it starts out with the poor, then take care of them and have a strong America here.

Talk about trading with other countries. And I believe in free trade—but we trade with Guatemala; we are their greatest importer and yet you find there in that country in Central America strong Communist operations.

We have traded with Indochina in everything they have—rubber, tin, and other things—yet they have not the will to resist the Communists.

Now, should we not carefully reconsider our basic philosophy that our trade will stop communism in this world when it does not? I do not believe it does. I believe this is an overall thing. I have heard the freetraders present their argument that we have got to equalize this thing, and in the equalization we are going to sacrifice some of the industry of the Nation; and that is exactly what they do. Am I, as a Representative, or are you, as a Representative, to look on with equanimity and see hundreds of thousands of men, women, and children going hungry because the breadwinner of the family does not have work?

Build up the economy. You are doing no such thing, you are tearing down America when you let imports into this country create such situations; you are tearing down instead of building up a strong America. Is this the price we must pay to build a strong world. I

know the unemployment that exists, especially in the coal-mining areas of the United States.

Let me give you one more example, the glass industry. I can remember in 1950 reading an article in an English trade journal saying that Hungary was dumping glassware into the United States at one-quarter of the production cost in Hungary. They could do that because they were behind the Iron Curtain at that time and Russia had to have dollars in order to support her world program and they were dumping products in America at a fraction of their cost so they could get dollars to support their policies throughout the world.

I called that to the attention of our Secretary of the Treasury and told him that he had the authority under the Constitution to invoke the Antidumping Act and stop it. It was never stopped. Are you going to sacrifice the glass industry, the coal-mining industry, and others to help a few of the big businesses in this country?

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. Gross].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I think everyone in this House is in favor of reciprocity in foreign trade. I am sure I am, but what we actually have is a sugar-coated proposition under the name of reciprocal trade.

Earlier this afternoon I asked the gentleman from Tennessee [Mr. COOPER] if he had any figures as to the imports of Polish hams and bacon into this country and the value of the commodities we shipped to Poland in return. He said he did not. I should like to supply him with figures on the total imports for consumption from Poland from October 1952 through September 1953, the latest period for which I have been able to obtain information. We permitted \$13,677,000 worth of commodities to come into this country from Poland and practically all of this was canned ham and bacon. Remember that Poland is behind the Iron Curtain.

How reciprocal is foreign trade? What did we ship to Poland in exchange for the more than \$13 million worth of hams and bacon that was permitted to come into this country? We exported to Poland \$236,000 worth of materials of one kind or another. In other words, it seems obvious that we handed over \$13½ million in American money to the Communist Polish Government. This is an example of the way reciprocal trade has operated on a one-way street. If you want to get an idea as to what reciprocal trade means with the Communist Iron Curtain countries, get the export control reports from the Secretary of Commerce, the quarterly reports that are issued, and it will be an eye-opener to you.

Let me say that this Polish canned ham, in the millions of pounds, has been boned and therefore is solid ham. It is not pork on the hoof and we in Iowa and the Midwest do not like this business of

aiding and abetting Communists and Communist aggression by permitting their pork products to come into this country in competition with American farmers and American labor.

So I say again that while I believe in reciprocal trade, I am certainly opposed to this bill. There is no legislation before this House, nor will there be in this session of Congress, that has a more euphonious title than this bill.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. JAVITS. It is my understanding that we have in practical effect no reciprocal trade concessions with any Iron Curtain country including Poland. Does the gentleman know to the contrary?

Mr. GROSS. How does this stuff get in here then?

Mr. JAVITS. As far as I know, through nonstrategic exports and imports.

Mr. GROSS. It ought to be covered under some legislation and prohibited.

Mr. JAVITS. Imports and exports in nonstrategic goods between the United States and Iron Curtain countries have, as far as I know, nothing to do with reciprocal trade agreements, therefore it would not come under this legislation or be affected by it one way or the other.

Mr. GROSS. I may say to the gentleman that under this reciprocal trade policy, we are importing millions of pairs of knit woolen gloves and mittens made not only in Japan but in Hong Kong, which is a British crown colony, the product of 8-cent labor there. We are told that the reason for this legislation is to take care of Japan principally. We have heard a great deal this afternoon about our free world friends. Are we to be the only nation in the world that proposes to take care of Japan? Where are these free world friends of ours? Do they propose to join in bolstering Japan's economy to prevent Communist aggression?

Mr. JAVITS. If the gentleman is asking me, first I would like to say I meant no disrespect whatever to the gentleman. I was just stating the facts as I understand them. I respect the gentleman's opposition. As to Japan it is my understanding that the big trading area for Japan is south and southeast Asia and other countries of the world and that other countries of the free world are as fully prepared as we are to facilitate a more open trading picture on a free world basis into which Japan can fit. I can only give the gentleman my information on that subject.

Mr. GROSS. I may say to the gentleman that I will believe that when I see the figures on paper as to how much of Japan's production the French, British, and others absorb.

Mr. JAVITS. Their trading area is in south and southeast Asia. The gentleman has to see the whole picture. This will make possible some agreement on that score. I think the gentleman will agree with me it is certainly desirable to see that Japan does not have any attraction toward Communist influence because there may be some economic attraction to do so.

Mr. GROSS. The burden must not be on the United States alone.

Mr. JAVITS. I agree with the gentleman, and I do not believe it is or should be.

Mr. GROSS. I know it is as of now.

Mr. Chairman, I refuse to be a party to the importation of cheap foreign labor and that is what is happening when we permit foreign products to flood our markets. If we expect to maintain a high standard of living, Congress must enact legislation to provide tariffs that represent the differential in costs of production on all commodities that are in adequate or surplus supply through domestic production.

Mr. REED of New York. Mr. Chairman, I yield such time to the distinguished gentleman from Kansas [Mr. REES] as he may desire.

Mr. REES of Kansas. Mr. Chairman, I believe we all realize the importance of trade agreements between the United States and other countries of the world. We do not want to isolate the United States from other countries in respect to trade. We want to be as liberal as we should be, and at the same time we want to give fair consideration to the protection of the people of our country; that means all of the people of our country affected by trade with other countries and other peoples.

In respect to trade agreements, I would like to call your attention to a problem that goes beyond the economic effects upon our country. It includes the military security of the United States. I refer in particular to the excessive rate of increase in imports of foreign oil. The increase in imports in recent years has been steady and much more rapid than people realize. From 1935 to 1940 oil imports averaged about 150,000 barrels per day. Following World War II, they increased steadily and rapidly and they average now approximately 1 million barrels per day. Before World War II imports were about 5 percent of the domestic market. The current rate is about 14 percent.

The thing to which I want to direct the attention of the Members is that imports of crude oil are adversely affecting the domestic oil industry. They are retarding development and expansion. It seems rather strange that under State conservation laws, allowable rates of production have been reduced to a comparatively small percent of the amount of potential production. Most of the reduction is because of the competition of oil imports from other countries. The interesting thing about this situation is that American companies, and not foreign organizations, are doing the importing.

The excessive imports of foreign oil are a threat to the oil-producing States of our country. Kansas is fifth in oil production. The industry adds \$300 million annually to the economy of our State. This money goes not only to the producers, but to about 60,000 people employed in the industry. Of course, it affects thousands of other people indirectly.

Congress has seen fit, and rightly so, to give certain considerations in respect to taxes to encourage the exploration of oil that does not coincide with a policy

of permitting excessive imports into this country. This problem is a serious one and ought to be carefully explored by this great Ways and Means Committee of the House. I hope this great committee will give first consideration to this problem when it meets in January to hold hearings dealing with the general problem of the extension of reciprocal trade agreements.

I would like to call your attention also to the fact that withholding or discouraging production in our country does not mean an accumulation of a great reserve of oil in the future. What does happen when you discourage oil production is that you also discourage exploration and development of oil. Let it be understood, I am not asking that imports of oil and oil products be completely withheld from this country, but I do suggest the amount be limited to a place where it will not injure the development and the production of oil in the United States.

So, I ask that when this committee meets in a few months from now, it go into this problem with a view of giving a little more protection to the men who really explore and produce oil in our own country and put a little more control on the increased imports from foreign nations.

(Mr. REES of Kansas asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BETTS].

Mr. BETTS. Mr. Chairman, a year ago when the Reciprocal Trade Agreements Act was before the House for consideration, I voted to extend it 1 year with the understanding that a Commission would be appointed to study the problem of world trade, and new legislation to strengthen our position in the field of foreign trade would be presented to the House. Although a commission was formed and a report submitted, still there is no legislation before us for consideration other than another extension of the same Reciprocal Trade Agreements Act.

In the meantime, the hand-blown glass industry, which is an important one in the Eighth Ohio District, has deteriorated by reason of the importation from foreign countries of products which are able to be sold on the American market at a much cheaper price than products manufactured in this country. The situation with respect to this industry in the district which I represent is critical.

Furthermore, the hand-blown glass industry is not the only one affected by this situation, as the debate has shown. While I fully appreciate the position of the Ways and Means Committee insofar as an opportunity is concerned to conduct hearings on the subject, I feel that there still exists an opportunity in the remaining weeks of the session to give needed attention to this subject which is of such vital interest to different segments of our economy. For these reasons I feel justified in voting against another extension.

(Mr. BETTS asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Alabama [Mr. ELLIOTT].

(Mr. ELLIOTT asked and was given permission to extend his remarks immediately following those of Mr. BAILEY.)

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. Chairman, I congratulate the gentleman from Iowa [Mr. GROSS] for his remarks concerning H. R. 9474. During my service as a Member of this body, I have never seen him waver in his support, first of all, of our own industries and our own people. I, too, am vigorously opposed to the passage of this bill. Yesterday I went before the House Rules Committee and objected to the granting of a rule on the measure. Then, as now, my objections were based upon the fact that, under present trade policies which will be perpetuated by this legislation, our domestic industries and the American people are deprived of protection against the economic injuries which result from uncontrolled and unregulated imports of foreign goods manufactured by cheap labor.

I was then and am now opposed to the measure because it was brought out of the House Ways and Means Committee without an opportunity being given to all segments of industry and labor to be heard upon it. I was and am opposed to this bill being brought before the House under a closed rule. Because of these reasons, I intend to vote against it, even though I realize that I stand for a lost cause.

(Mr. BYRD asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, may I ask a rhetorical question: Will the President, under this 1-year extension, negotiate any new reciprocal trade agreements? Or has the Republican leadership, in exchange for extending this act for a year, extracted from the President a commitment not to use the authority? If such a commitment has been made, there is no need for this Congress to go through the formalities of extending even for a year the Reciprocal Trade Agreements Act.

If, on the other hand, no such commitment has been made, given or extracted, then those of us who have been and continue to be strong supporters of the Reciprocal Trade Agreements program will watch quite closely the actions of the administration during the coming year.

During the coming year, much positive action could be and should be taken in the trade area. New agreements could be negotiated. Old agreements should be brought up to date. However, the most serious trade situation relates to Japan. Japan, formerly a great industrial country which in prewar years traded extensively with China, is now cut off in part at least from such trade with Red China. Japan must find markets, must develop trade channels with the

rest of the world, if she is to survive as an industrial nation. The survival of Japan as an industrial nation is an essential key to our basic defenses and alliances.

I am no expert on international affairs, but I do know that the United States Government has devoted a tremendous amount of time and attention, and I think rightly so, to the rehabilitation of Japan. Again, I repeat, I do not know what the complete answer to Japan's international trade problems is, but I do know that the United States has an obligation and a need to work out satisfactory trade relations with Japan. This is the foremost trade problem that will need attention during the coming year, attention that it could not get if the Reciprocal Trade Agreements Act was not extended or if the President has made commitments not to negotiate.

Those of us interested in international trade policy will keep a careful, watchful eye focused upon the action of the administration to see that it at least carries out the authority contained in this simple 1-year extension act.

However, we should not be satisfied with just extending this act for just a year. I have been a strong supporter of the reciprocal trade program and shall continue to be. I think we should at least have gone as far as the Commission on Foreign Economic Policy, better known as the Randall Commission, recommended. These Randall Commission recommendations were approved by the President and submitted to the Congress for action on March 30. In the President's message to the Congress, he said:

The Commission on Foreign Economic Policy recommended a 3-year extension of the Trade Agreements Act with amendments to authorize:

(a) Reduction, pursuant to trade agreement negotiation, of existing tariff rates on commodities selected for such negotiations by not more than 5 percent of present rates in each of the 3 years of the new act;

(b) Reduction, by not more than one-half over a 3-year period, of tariffs in effect on January 1, 1945, on products which are not being imported or which are being imported only in negligible volume; and

(c) Reduction, over a 3-year period, pursuant to trade agreement negotiation, to 50 percent ad valorem, or its equivalent, of any rate in excess of 50 percent ad valorem, or its equivalent.

I have approved these recommendations of the Commission and urge their adoption by the Congress. I may also recommend special provisions for negotiation with Japan in view of the economic problems of that country.

I would have hoped that the Ways and Means Committee would have held hearings, reported out this extension bill, as recommended by the President. However, somehow or other, many individuals more concerned with restricting than with liberalizing trade policy got to the President and were successful in having him change his mind, at least enough for him to ask the Congress to disregard his previous message and extend the Trade Agreements Act with no change for a year.

I regret exceedingly that the President took this action. I would have hoped that he would have continued to push

forward the great reciprocal trade program stated by Secretary Cordell Hull in 1934, a program which has proved tremendously successful over the last 20 years.

I agreed fully with the President when, in his message to Congress, he said:

Unless we are prepared to adopt the policies I have recommended to expand export and import trade and increase the flow of our capital into foreign investment, our friends abroad may be discouraged in their effort to reestablish a free market for their currencies. If we fail in our trade policy, we may fail in all. Our domestic employment, our standard of living, our security, and the solidarity of the free world—all are involved.

I regret to see that there seems to be little Republican support for these recommendations of the President. The major support which he receives for this reciprocal trade program comes from the Democratic side of this House.

Maybe the President knew what he was doing when, in his letter asking for a 1-year extension, he said:

Let us wait until the 84th Congress convenes to consider extensive revision in the trade-agreements program.

I assume the President must have thought that the reason he might have more success next year than this year is that the elections in November will change the entire complexion including the leadership and control of the Congress—and shift that control from the Republican to the Democratic Party. In that event the task of the President will be much easier.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, I commend the fine statement on trade problems which has just been made by the gentleman from Pennsylvania [Mr. EBERHARTER]. He expressed a point which was made by the President of the United States when he submitted his trade message to the Congress earlier in the year when he said "if we fail in our trade policy, we may fail in all." I hope the Congress will pay some attention to this message and this portion, at least, of the President's message. Unfortunately, the President apparently changed his mind in regard to that strong statement because he backed up so far as his recommendations on trade policy are concerned. But fortunately, at the last minute, we have this opportunity today to extend the Reciprocal Trade Agreements Act for another year.

I earnestly hope, if this bill is passed, that the administration will take advantage of it to work out an agreement with Japan, which is so vitally needed today not only for the benefit of the people of Japan, and not only to help us work out our defense problems, but for the benefit of the American working men and for the benefit of the American farmers.

We have heard today a great deal of talk about how people are being hurt by the Reciprocal Trade Act. There are people out of work today not because of any Reciprocal Trade Act, but because of the failure of the people in power to meet some of the economic problems

which are confronting this country today. They are not problems caused by foreign trade. They are problems caused by a lack of foreign trade. I hope we will attempt to solve some of those problems in an aggressive trade program, if we ever get to the point of having one presented to the Congress by the administration which will carry on a fight to enact it. I mentioned in colloquy a little while ago with some of the other Members of the House that there are certain areas where some relief is obviously needed for people who are out of work. I think it would be to the best interest of the people of this country to give outright grants to those people or industries who are unemployed to meet that situation rather than to cripple the entire economy of the United States and of the free world in an effort to provide for some partial protection. These people were out of work and unemployed at times when we had no foreign trade. Something has to be done to solve their problem.

But there is a greater problem confronting the 25 million farmers of this country who must sell their products. There is a greater problem confronting the 40 million industrial workers of this country who must sell the product of their labor throughout the world. There is a greater problem confronting the people who engage in transportation and commerce and must carry on and make a living from our export trade as such. These are the problems that have to be met, and they cannot be resolved by a talk here about isolated hardship conditions which have to be met not by changing the whole focus of the American trade picture, but by meeting the economic crises along lines that we have met them in the past, and that is by doing something to stimulate employment and to diversify industry in those areas.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield.

Mr. HUNTER. I was discussing this matter with the gentleman a few minutes ago. I would like to ask him this question: Does he feel that in line with this program of free trade we should abolish the import quotas on such items as cotton, wheat, and sugar? I am thinking particularly of cotton now because cotton is produced in such countries as Egypt, Brazil, Pakistan, Turkey, India, and Mexico.

Mr. SMITH of Mississippi. It is also produced in California and in Mississippi.

Mr. HUNTER. It can be produced cheaper in those countries than it can be produced in the United States because of cheap labor, and for that reason we have section 22 of the Agricultural Adjustment Act, which provides that quotas may be invoked whenever the importation of an agricultural commodity interferes with a Federal marketing program established for the domestic production of such commodity.

Mr. SMITH of Mississippi. If I may interrupt the gentleman, I do not favor the abolition of those quotas, because it is necessary whenever we have a price-support program. I think it should be

pointed out, however, that the cotton-import quota has been used only some three times in some 20 years, and only in some very minor cases. The United States produces over half of the world's cotton crop. We never have to worry about the importation of cotton. We produce cotton more efficiently and cheaper.

Mr. HUNTER. Does the gentleman recommend, then, the abolition of import quotas on cotton?

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. SMITH of Mississippi. Unfortunately, I fell into a trap and gave the gentleman from California [Mr. HUNTER] half of my time. I would like to use this time myself.

We are not talking about the Agricultural Adjustment Act in which section 22 appears. I would be happy to repeal the tariffs on cotton and automobiles. I would like to see the gentleman's [Mr. HUNTER] bill passed, to repeal the tariff on automobiles. So would the automobile industry.

I think the American farmer has a greater stake in the passage of this bill than any other legislation before the Congress, not excepting the bill now being considered in the Committee on Agriculture in regard to price-support programs. I think the American workingman has a greater stake in the passage of this bill than any other legislation that will come before the Congress this session.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Mississippi. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I want to commend the gentleman from Mississippi because he is realistically recognizing the productive capacity of this great country of ours. In recognizing the great productive capacity of this country of ours he also recognizes the need for an outlet for our goods, which would keep our men employed, which would keep our farmers producing the crops and marketing them, which would keep our industries going. The gentleman knows and I know that you can pick out isolated cases that are hardship cases. I wish to commend the gentleman in raising this debate to the high level he has, because the gentleman is talking about the general welfare of all the people of the country and not just one segment. I commend the gentleman.

Mr. SMITH of Mississippi. I thank the gentleman.

I would like to point out to those people in the Midwest and other areas where concern has been expressed, such as California, that if the export market for cotton is curtailed through the Trade Agreements Act, the cotton farmers of the country will have to go into competition with those areas in their production. If we have to cut back our cotton production because of declining export markets, it means we will have to increase our dairy production. We will have to increase our lard and cattle and beef production, and soya beans and

fruits and various other commodities that they produce. It is an interdependent problem in which every farmer has a stake, whether his crop is directly exported or not.

The coal operator has a stake in this problem also, because unless steel and other products which are manufactured through the use of coal has a market we will not even have the necessity for producing as much coal as we produce today. I think the coal producers are very shortsighted in their opposition to this program that has done as much as it has to expand the market for steel, which, after all, is the basic user of coal.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Kentucky [Mr. GOLDEN].

(Mr. GOLDEN asked and was given permission to revise and extend his remarks.)

Mr. GOLDEN. Mr. Chairman, I wish to observe that although I have tremendous respect for the integrity and ability of our great Committee on Ways and Means, I am compelled to be opposed to this bill.

For several months I have observed in my home district one large well-equipped and well-managed coal mine after another being closed down because of the operation of the present trade agreements with Venezuela and other foreign countries, that allows residual fuel oil to come in and usurp our markets that formerly went to coal. Not only have thousands of American citizens been forced out of work, walking the highways looking for employment in the coal fields, but it has spread to the railroads and independent oil companies of America. Not only those 3 basic industries have been adversely affected by the present policies of the former and the present administrations, but I have seen not less than 50 American industries that have either been partially destroyed or wholly destroyed by our present policy of free trade.

Our present administration can do well by looking into sections of the United States where we have thousands of unemployed, and learn the facts of life, that foreign products are seriously injuring American business and denying many thousands of men the opportunity to work.

We should adopt a policy and pass a law that will take into account what is happening in the coal fields of Kentucky and other States and in many other American industries before it is too late.

Coal is a basic and necessary industry in peacetime and wartime—to have steel—you must have bituminous coal. Let us not kill this necessary industry.

There is one hopeful aspect about this proposition. We do have sincere and dedicated men on our Committee on Ways and Means. We are promised that they will make a study of this whole situation. I beg of them and of our present administration that some consideration may be given to the 50 or more American industries that are being destroyed by

cheap foreign labor and the importation of goods into our market that we cannot compete with.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BEAMER].

(Mr. BEAMER asked and was given permission to revise and extend his remarks.)

Mr. BEAMER. Mr. Chairman, consideration of H. R. 9474 to extend the Trade Agreements Act for 1 year beyond its expiration date of June 12 carries with it more import and more concern than the title might indicate. It was the hope of many of us that the Commission on Foreign Economic Policy—known as the Randall Commission—authorized by the last session of this Congress, would produce more definite and more realistic answers for this very important problem.

In my study of the report of this Commission on Foreign Economic Policy, I want to pay a special commendation to the minority report which was prepared and signed by our colleagues, DANIEL REED, of New York, and RICHARD SIMPSON, of Pennsylvania. The entire report—minority and majority—should be studied by all Members and, in turn, considered from these points of view: First. How does this proposed legislation affect the industries in each of our respective districts? Second. How does the proposed solution by the Commission affect the industries and general economy of the entire United States? Third. How do all of these recommendations better serve our international understanding and relationships with our friends and neighbors overseas?

Quite naturally, our first concern is with the people in the districts where we live and where we know something about their problems. The minority report states that—

The basic principle involved is one that it is the function of the United States Government to take only such action as may be advisable or necessary to provide a proper atmosphere within which the domestic economy, acting through private enterprise, can flourish and provide our people with a high standard of living.

There are numerous circumstances in the Fifth District of Indiana or in the entire State of Indiana, or even in the entire United States, which will serve as examples to prove this very important point. I refer to only two industries—the glassware and the bicycle industries. The same problems and conditions will apply to pottery, ceramics, rubber tires, and numerous other products which help to form the backbone of the great industries of this country.

The United States Department of Commerce in a release dated May 21, 1954, from its Business and Defense Services Administration, brings out the significant fact that in 1952 it was indicated that 37½ percent of the hand-blown table, stem and art glassware sold to the American consumer is imported. It also is shown that these particular segments of the glass industry receive the impact of about 27 percent of the entire volume of imports, while export-

ing only 0.56 percent of the total glassware exports.

This industry employs thousands of people, many of whom are highly skilled. However, employment has been drastically cut in recent years and fears have been expressed that some of the small cities and communities may even become ghost towns if their industry receives further severe competition. I have hundreds of letters from employees of glass industries in Anderson, Marion, Dunkirk, Hartford City, Gas City, and other glass-making centers in the Fifth Congressional District in Indiana. These people are sincere in their desire to be good craftsmen, good Americans, and in asking protection from their own Government.

The reason for their concern is the fact that there is such a difference in labor rates in the United States and in other competing foreign countries. For example, it was shown, and it is known, that wages in the United States glass factories will average \$1.65 per hour as compared with 25 to 50 cents per hour in the foreign countries which produce competitive glassware.

In this connection, the report from the Department of Commerce further shows that the glassware importation is increasing very rapidly while the domestic production is decreasing. Even some of these foreign imports come from the so-called Iron Curtain countries of Poland and Czechoslovakia.

It is very important that we turn to the bicycle industry for an equally significant study. In Indiana and specifically in the district which I have the privilege to represent, there are some plants that manufacture parts for the bicycle industry. One of these specifically manufactures electrical devices such as horns and lights for bicycles. Here again I have a large number of letters, not from the management but from the employees who are concerned about their industry, about the loss of business to foreign competition, and about their resultant loss of work.

It is significant to note that the Department of Commerce offers a report that shows that the percentage of imports of bicycles to the United States from foreign countries rose from six-tenths of 1 percent in 1948 to 22.7 percent in 1953. The first quarter of 1954 also shows that the domestic production decreased 62 percent as compared to the corresponding period in 1953. At the same time, in the first 2 months of 1954, imports of foreign bicycles increased 71 percent as compared to the corresponding period in 1953.

In 1953 some 600,000 bicycles were imported into this country as compared to 16,000 in 1949. In 1954, the report continues, if the present trend continues unchanged, the import of 900,000 or more bicycles is not unlikely. Furthermore, export markets for American bicycles are practically nonexistent. All of this, of course, is due to the price differential.

A representative of the rubber industry reported that 1,200,000 tires and tubes for bicycles were imported by the United States in 1953 and predicted that more will come in 1954 and succeeding years.

He also stated that if an American tire manufacturer wishes to do business in a European country, it is necessary for him to build a plant there.

These 2 examples will serve to illustrate the importance of consideration of the present reciprocal trade agreements, and most especially the 2 safety factors—the escape clause and the peril-point clause. Two years ago I joined other Members of the House and Senate in appearing before the United States Tariff Commission in behalf of the bicycle industry. Briefs were prepared and the Commission listened very attentively. However, the request for relief under the escape clause was unanimously rejected in October 1952.

This presents the important problem of how much relief or assistance does American industry secure under the escape-clause and peril-point provision. It is shown that since 1951 many cases have been presented to the Commission and numerous cases were referred by the Commission for Presidential action. It is shown that 8 cases were presented for Presidential action and only 2 have been approved. The cases that have been either rejected or postponed for further study involve industries employing thousands of people. The point that I think all of us should consider most seriously is whether or not a reciprocal trade agreement will work in an equitable manner for all parties concerned. In other words, if the United States is to be a member of the General Agreement on Trades and Tariffs, it is important that their industries and their workingmen should have the same protection that is accorded to all of the working people and the industries of foreign countries. The United States Government has shown its willingness and its spirit of cooperation in the agreements on trades and tariffs. In fact, it has been continually reducing its import tariffs and duties. For example, from 1937 to 1951 it reduced the ratio of custom duties collected to total value of imports by a total of 68 percent. In 1951 it is shown that there were only 7 countries that had lower ratio of custom duties collected to total value of imports than those of the United States. It likewise is estimated that in 1953 there were only 5 countries that had lower ratio of custom duties. Thus, the question involved in H. R. 9474 to extend the Trade Agreements Act is one not merely of 1 year's extension but also of a definite understanding and promise that a realistic study and approach will be made to this important problem. We must protect our industries and our workingmen with the same consideration that the industries and working people of other countries are protected by their respective government. This means that the labor standards in international competition must be recognized. It also requires that the postwar dollar problem and currency convertibility referred to in the minority report likewise must be recognized. With the extension of this act for 1 year only, there should be an accompanying requirement that changes in tariff ratings should be made only after individual study by Congress of the effect of the

proposed changes upon any particular industry and also upon the entire economy of the country.

There are many other phases of this problem that should be recognized, and these have been touched upon in particular at least in the report of the Commission on Foreign Economic Policy. The field of agriculture presents a special problem, and the agricultural group likewise is keenly interested in maintaining a foreign market and also in protecting the workingmen in this country who provide their consumer market.

Mr. REED of New York. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. CANFIELD].

(Mr. CANFIELD asked and was given permission to revise and extend his remarks.)

Mr. CANFIELD. Mr. Chairman, reference has been made here today to the plight of the textile industry in the United States. It has been plagued by a series of ailments over a period of years and today it is very sick.

In recent months some old mills have closed their doors, others have curtailed operations, and thousands of workers, many of these older people who cannot readily adapt themselves to other employment, are on unemployment rolls. There has been a cutback in wages.

The textile industry is an essential industry to the welfare and security of the American people.

Just how much its woes are caused by foreign competition, the use of new cloths and fibers, sectional wage differentials, and other causes, is not clear and so I believe it is time for the administration to get together with textile management and labor first to make an exploratory analysis and then determine the proper medicine.

This industry can be saved. Government has a real interest and Government can help.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, last year during the first year of this new administration we considered at some length the Simpson bill. That bill was largely a restrictive bill on trade between this country and other countries in the world. Finally the Simpson bill was sidetracked for a little while and the administration officials came before the committee and said: "If you will give us a 1-year extension of the Trade Agreements Act and if you will create a special study commission which can go into all of the features of the foreign trade of the United States of America as well as the entire foreign economic policy of our country, then in January 1954 we can come back to the Congress and make specific and definite recommendations to carry out our program of trade not aid."

I recall, too, that there was a provision in the measure which sought to stack the Tariff Commission and that was defeated. Congress enacted that measure and the Randall Commission was appointed. It was made up of distinguished Americans, both in and out of the Congress.

The Commission conducted numerous studies, not only in this country but abroad. If I recall correctly, the members went to Paris where they held several weeks of open hearings.

The Commission came back and submitted its report to the Congress, a very long and a very comprehensive report. Thereupon, on the 30th day of March, the President of the United States sent a message to the Congress of the United States entitled "Foreign Economic Policy of the United States."

I shall only read the conclusions contained in that message:

CONCLUSION

What I have outlined to you is a minimum program which should be judged as a whole. Its various parts are interrelated; each requires the other.

Conceived as a whole, this program consists of four major parts:

Aid—which we wish to curtail;
Investment—which we wish to encourage;
Convertibility—which we wish to facilitate; and
Trade—which we wish to expand.

I consider it essential that we achieve each of these objectives, which we must clearly understand are closely interlocked: As we curtail our aid, we must help to close the dollar gap by expanding our foreign investment and trade. This expansion will be facilitated by a return to convertibility of foreign currencies. The return by our friends abroad to convertibility will be encouraged if our trade policy leads them to expect expansion of our foreign trade and investment.

Unless we are prepared to adopt the policies I have recommended to expand export and import trade and increase the flow of our capital into foreign investment, our friends abroad may be discouraged in their effort to reestablish a free market for their currencies. If we fall in our trade policy, we may fail in all. Our domestic employment, our standard of living, our security, and the solidarity of the free world—all are involved.

For our own economic growth we must have continuously expanding world markets; for our security we require that our allies become economically strong. Expanding trade is the only adequate solution for these two pressing problems confronting our country.

Where do we stand today? Well, No. 1, we have a resolution here continuing for 1 year in its exact form the existing trade law. I have not heard one Member of the President's party get up and really defend this program. One or two of them have made weak excuses for it. Most of them have been very definitely against it, and at best it represents too little and too late.

Now, think about that. Here we had a Commission appointed, made up of prominent Americans from all walks of life, who went all over the world studying this problem, and who told us that they were going to bring us back something new and different, something that would effectuate a program of trade and not aid, something that would result in the reduction of foreign-aid appropriations, something that would tend to weld together the free world in this crucial era in which we are living. And what happens?

The President said this in a letter dated May 20. This is only 6 weeks after the message to Congress dated March 30. He said:

Accomplishing enactment of the heart of the program, extension of and amendment of the Trade Agreement Extension Act of 1951, as amended, would, I believe, best be served by careful and deliberate action taken on the basis of extensive and unhurried hearings.

The gentleman from Pennsylvania, my good friend, Mr. SIMPSON, informed us just a moment ago that come next January—not next week, not next month, but January 1955, the third year of this administration—come next January we are going to start new hearings where we are going to cover the same road all over again so that we may find out what we are going to do about the trade policies of the United States of America.

I submit, Mr. Chairman, that this is no policy; that this is a bankrupt policy; that this is a confession of complete and total failure. It may be, as the gentleman from Pennsylvania [Mr. EBERHARTER] indicated, that by next January the complexion of this Congress will be different and it will not be required to have 6 more months of study and then one more extension and then another set of studies. I submit, Mr. Chairman, that here as in every other phase we are confronted with complete bankruptcy of policy.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Illinois.

Mr. MASON. The gentleman making this speech on the floor is an active member of the Committee on Ways and Means.

Mr. BOGGS. I thank the gentleman.

Mr. MASON. The gentleman knows that the Committee on Ways and Means since last January has held almost continuous hearings on revision of the tax bill, on social security legislation, on unemployment compensation, and I want to ask the gentleman this question: Has the Committee on Ways and Means had any time up to this present moment to give any consideration, or at least any proper consideration, to the extension of the Reciprocal Trade Agreement Act?

Mr. BOGGS. Well, I am not making up the agenda for the Committee on Ways and Means. The gentleman's party is doing that. All I can say to the gentleman is that where you have a program which the President of the United States says is essential to the stability of our own economy, to the unity of the free world, where the President of this country says that, in my judgment my committee can find time to do something about it.

Mr. HUNTER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from California.

Mr. HUNTER. I gather the tenor of the gentleman's argument to be that in order to increase our exports we must increase our imports. I certainly agree that we should have a healthy export program, but in order to accomplish this is the gentleman willing to repeal the Sugar Act and to do away with subsidies on shipping?

Mr. BOGGS. The Sugar Act as enacted certainly does not interfere with the free flow of trade. As a matter of fact, the act reduced tariffs by well over

50 percent. Insofar as shipping is concerned, the current arrangement in our country is that we should attempt to carry at least 50 percent of our own cargo in our own bottoms. I think that is an eminently fair arrangement. I would say to the gentleman that without cargoes to carry, without foreign trade between this country and other countries, we could pass all the laws we wanted to subsidizing an American merchant marine and it would not have anything to carry.

I am not going to yield any further, because I have only a few moments. The point I am making—and I know the gentleman felt he would needle me with that question—is that none of these problems are insuperable, none of them are. It is perfectly ridiculous for an administration which has gone about this country, all over this country, talking about reducing foreign aid and talking about increasing foreign trade, to come in here with no program whatsoever.

It is like some fellow said, "There are four mistakes that this administration has made, mistakes in domestic policy, mistakes in foreign policy, mistakes that have already been announced, and mistakes that are still being studied." I presume this is one that is still on the study list. But in any event, insofar as any policy is concerned, there is none here, and there is no point in trying to kid anybody about it.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I wonder if the gentleman could tell me if our good friends on the other side of the aisle are advocating a return to the Smoot-Hawley Tariff Act.

Mr. BOGGS. I do not know. As a matter of fact, I am sure they do not know themselves.

Mr. HUNTER. Mr. Chairman, will the gentleman yield? I would like an opportunity to comment on that, if I may.

Mr. BOGGS. Surely, I will be glad to yield to the gentleman.

Mr. HUNTER. I might say to the gentleman from Minnesota, who is a very good friend of mine, for he and I serve on the Subcommittee on Agricultural Appropriations, that I have no desire to return to the Smoot-Hawley tariff. I would like, for example, for products such as figs, wines, nuts, olives, and other California specialty crops which are produced in my district, something similar to the Sugar Act, which protects the domestic producers of cane and beet sugar by setting quotas on sugar imported from foreign countries, but we have nothing of that sort. I think it is only fair that the protection afforded the sugar industry, the wheatgrowers, the cottongrowers, and others, be extended to other commodities. I do not believe they should be thrown to the wolves.

(Mr. VAN ZANDT (at the request of Mr. REED of New York) was given permission to extend his remarks at this point in the RECORD.)

Mr. VAN ZANDT. Mr. Chairman, with 12 percent of the employables in my

congressional district unemployed and thousands of families living on unemployment insurance, surplus commodities, and public assistance, I cannot conscientiously vote in favor of H. R. 9474, a bill that will extend the Reciprocal Trade Agreements Act for another year.

Ever since I came to Congress in 1939 I have voted for reciprocal trade agreements year after year believing that reciprocal trade was a good national policy and a necessary vehicle in promoting world trade.

Last year when legislation was on the floor of the House to extend reciprocal trade agreements for 1 year, I voted in favor of it because at that time we were assured that a study would be made of the damage that was being done to the coal and other industries by foreign imports.

It is true that the study was made by the Randall committee but I regret to state that the coal industry which is the backbone of the economy of my congressional district was denied the opportunity to present its side of the case. Consequently, the Randall committee report completely ignored the increasingly serious situation existing in the coalfields of our country.

Mr. Chairman, I can no longer vote to extend reciprocal trade agreements because the promise of relief to the coal industry has not been kept. This broken promise means that the importation of foreign residual oil will continue for another year and further destroy the coal industry now on its knees begging for help.

Many of you will remember our efforts last year to establish a quota limitation on foreign residual oil, but our efforts were defeated. Our chief obstacle was in the fact that the difference between crude oil and residual oil was not clearly understood, nor was the damaging effect to the coal and railroad industries properly evaluated.

For a moment, I should like to define "residual oil" and how it is used. This is necessary in order to correct the opinion held by many that it is used for home-heating purposes.

Imported residual fuel oil is what is left over in the refining process after gasoline and/or other products have been removed from crude oil. In the United States refineries this waste product amounts to only 18 or 19 percent of total crude oil refined, but in the Caribbean and South American oil operations of major United States oil companies the waste amounts to from 57 to 65 percent of the refinery volume.

More than 98 percent of the residual fuel oil coming into the United States originates in Venezuela. Of these imports, more than 78 percent are the waste products from oil refineries located on two small Dutch islands just off the coast of Venezuela: Curacao and Aruba. These refineries are owned by two of the world's largest oil corporations, the Royal Dutch Shell Co. and the Standard Oil Co. of New Jersey.

Therefore these two large oil corporations are the principal beneficiaries from the sale of residual oil imported

to the United States rather than the residents of these small Dutch islands or the people in the oil-producing areas of Venezuela.

This foreign residual oil is produced without a cost tag, and the selling price is manipulated up and down in accordance with what the competitive fuel market will bear.

Foreign residual oil is not only produced without a cost tag, but is transported to the United States by the producers without regard to actual transportation costs or at rates that do not in any way conform to charges that are a prerequisite to the maintenance of wage levels established for our own maritime fleet.

To be more specific, ocean transportation rates on residual oil from the Netherlands Antilles to ports north of Cape Hatteras dropped from \$1.40 per barrel in January of last year to 43 cents in October—a drop of 69 percent—all because of nonunion cheap foreign labor sailing under foreign flags.

This foreign residual oil is dumped on United States markets and used under boilers in large utilities, and industrial plants, particularly on the east coast of the United States.

I want to emphasize that this waste product of crude oil, commonly known as residual oil, is not used in heating American homes or fueling essential war machines such as tanks, planes, and motor vehicles.

Mr. Chairman, at this very minute a quarter of a million ton tanker ship is tied up at an east coast dock carrying disaster to the coal, railroad, and related industries of this Nation, in much the same manner as rat-infested vessels brought disease into our port cities in years gone by.

This foreign tanker with its bunker space filled with residual oil is dumping it in violation of every American concept of fair competition. As a matter of fact, even if the miners of our Nation would work for nothing and the railroads transported the coal for practically nothing, the coal industry could not compete with this unfair competition from foreign residual oil because its price is continually manipulated downward to capture the eastern seaboard coal market.

As of this date, a ton of domestic coal delivered to the eastern seaboard at \$10 per ton cannot meet the competition of cheap foreign residual oil which is delivered in the New York Harbor on an average of \$2.10 per barrel. In this connection, about 4¼ barrels of residual oil is equal to 1 ton of coal, and because of the fact that the producer of residual oil will sell at any price, he continually manipulates its price in order to undersell a ton of American-mined coal.

This type of competition is what I had in mind when I said that the unrestricted dumping of foreign residual oil is in violation of the American concept of fair competition.

Keeping in mind that 4¼ barrels of foreign residual oil is equivalent to 1 ton of coal, 134 million barrels of this

alien residual oil were unloaded on our eastern seaboard in 1953 or enough to displace 32 million tons of coal and to destroy the jobs of 22,000 miners for a full year.

The seriousness of the situation confronting the coal and railroad industries can be appreciated when it is understood that residual oil imports in 1946 amounted to 44,647,000 barrels, whereas in 1951 the total reached 119,166,000. Figures for 1953 place the amount at about 134 million barrels.

On the basis of 1953 importations, this meant—

First. Displacement of approximately 32 million tons of coal.

Second. Loss of coal revenue in excess of \$155 million.

Third. Loss of the jobs of 22,000 miners for 1 year.

Fourth. Loss of miners wages in excess of \$79 million.

From the figures I have cited, one can readily recognize the devastating effect that residual oil had on the coal and railroad industries for the year 1953 when approximately 32 million tons of coal were displaced.

So far in 1954 the floodgates were opened still further with leftovers from foreign refineries reaching a daily average of 450,000 barrels equal to about 108,000 tons of coal—which if permitted to continue would displace 39 million tons of coal annually.

From 1946 through 1953 the loss in revenue to the bituminous-coal industry as the result of the unrestricted flow of foreign residual oil amounted to \$828 million, approximately half of which would have gone to miners in wages.

The deficit is multiplied many times over when translated into buying power for other goods and services, while the loss in tax revenue will run into millions of dollars.

Let us for a moment consider the corresponding effect the displacement of 32 million tons of coal had on the coal-carrying railroads of the Nation and their employees due to the importation in 1953 of 134 million barrels of foreign residual oil. It meant:

First. Loss of railroad-freight revenues of \$88 million.

Second. Loss of railroad-employee earnings of \$44 million.

The freight-revenue loss to American railroads for the period of 1946 through 1953 as the result of coal being displaced by residual oil amounted to some \$448 million or the loss of freight revenue from some 2,500,000 loaded cars which railroads did not handle.

For each of the coalminers who have lost their jobs because of the unfair competition from a foreign residual fuel oil a railroader has also been added to the list of the unemployed. The total loss in wages of railroad employees due to the displacement of coal by foreign residual oil amounted to \$225 million since 1946.

Mr. Chairman, I have been talking from a nationwide standpoint about the adverse effects on the coal and railroad industries as a result of the unrestricted importation of cheap foreign residual oil. For the next few minutes I should like

to tell you of the serious effect it is having on the general welfare of the State of Pennsylvania.

To be brutally frank, the bituminous-coal industry in Pennsylvania is in a desperate condition and while there are other factors that have contributed to its plight, the one that has done the most serious damage is the importation of foreign residual oil, which because of its uncontrolled selling price, has erected a barrier of unfair competition so that it has captured the eastern seaboard market of the Pennsylvania bituminous-coal industry.

In the central Pennsylvania area where my congressional district is located, the production of bituminous coal is the major industry and for many years our regular customers have been from the eastern seaboard area, who purchase annually millions of tons of our coal.

Mr. Chairman, no other area in the United States has felt the impact of the importation of foreign residual oil more acutely than has central Pennsylvania, because of its proximity to the eastern seaboard which is the natural market for central Pennsylvania coals.

Since October 1, 1952, in the central Pennsylvania area alone, 58 bituminous coal mines have closed, throwing out of work 3,497 men, which represents a loss of nearly 4 million man-hours.

Mr. Chairman, I am sure that it is readily apparent that we who reside in central Pennsylvania are really faced with great difficulties because our eastern seaboard coal markets are being captured by the unrestricted flood of cheap foreign residual oil. This means railroad terminals are being abandoned, ghost towns are developing, and unemployment exists to the point where the United States Department of Labor has classified central Pennsylvania as a critical area because of the supply of surplus labor.

While we are gravely concerned with the economy of Pennsylvania, yet there are other aspects to the general situation that I feel I am warranted in calling to your attention because they concern the national fuel situation in its relationship to our national security.

Mr. Chairman, when a coal mine is closed, it is not readily reopened. At the time of closing, the pumps and other equipment are removed and the mine fills up with water. Coal mines cannot be wrapped in mothballs, and stored for an indefinite period like tanks, guns, and battleships, for almost instant restoration to active use, in the event of a national emergency. For all practical purposes, a coal mine is permanently closed and all recoverable natural resources are lost for the future.

During World War II we reached our peak in coal production when in one year we mined 630 million tons. Included in this 630 million was 139 million tons of strip coal, which as you know, is that coal lying near the surface and easy to recover. However, this easy coal is gone and the reserves of strip coal no longer exist.

It is interesting to observe a statement made during World War II by the late

Secretary of Interior Ickes, when he said that the production of bituminous coal was a vital factor in winning the war.

Mr. Chairman, there is truth in Secretary Ickes' statement because coal has always played an important role in our national defense. With the permanent closing of coal mines that is taking place today and the decline in the available easily recoverable strip coal I doubt very much whether we would be able, should we get into war, to produce a sufficient quantity of coal to satisfy the national needs.

In making this statement, I am assuming that should we get into an all-out world war III that enemy submarine action will again interrupt our lines of communications as it did in World War I and World War II with the result that great quantities of residual oil now being imported into our country would be suddenly cut off and those industries presently using residual oil would have to turn to coal.

The same thing would apply to crude oil and I say to you, what would factories, churches, schools, apartment houses and places of business now using imported oil, do for heat and power in the event of a national emergency?

Mr. Chairman, shipments of foreign oil could be stopped overnight in the event of an international crisis, but the coal industry cannot accelerate its production to meet the Nation's increased fuel requirements in a national emergency if its operations continue to be impaired as they are under present conditions.

Summarizing my position, let me emphasize, that the plight of the coal industry today primarily can be charged to reciprocal trade agreements which have permitted the unrestricted flood of foreign residual oil from the Caribbean Sea area.

As I said in the beginning of this statement, 12 percent of the employables in my congressional district are unemployed and thousands of families are living on unemployment insurance, surplus commodities, and public assistance.

With my neighbor and fellow-citizen living in want because unrestricted foreign imports have robbed him of his job, I cannot in good conscience accept any further glittering promises of corrective action.

I relied on such false promises in the past and supported reciprocal trade legislation. I refuse, however, to be fooled any longer and for that reason I am voting against this bill and I shall continue to oppose reciprocal trade agreements until the interest of American wage-earners is protected.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I want to join my friend from Tennessee [Mr. COOPER], in the compliment he paid to one of the great modern statesmen not only of the United States but of the world, Hon. Cordell Hull. I think he could be credited with the fathership of this matter of reciprocal trade arrangements with all the world.

I have said on this floor many times and some great Republicans have said on this floor in the past that we cannot sell where we do not buy. Money does not cross the ocean now, nor has it ever crossed the ocean, to balance accounts between governments and governments. There is no trade unless there is exchange. It is goods for goods.

I have always maintained that even when we were passing high protective tariff laws. I do not think anybody in his right mind could say today that we would have trade and commerce with the world, if we did not have the reciprocal trade arrangements. We could not trade with the world under the provisions of the Smoot-Hawley Tariff Act. I would very much have liked to see this committee and the House of Representatives follow the recommendations of the President of the United States, and that is to extend this act in its operations for 3 years. The truth of the business is that I would like to see the day come sometime when the Congress of the United States would stand up on its feet and do what I think should be done not only in the interest of the producers of raw material, but in the interest of the producers of the finished product. Of course, there was a time when we had infant industries in this country. They were protected then. But that time has long since passed. Ever since World War I, we have been more of a creditor nation than a debtor nation. We have the biggest surplus producing nation upon the face of the earth. Therefore, as the years come and go, it becomes more and more important that somehow we arrange to exchange our surpluses for the surpluses of the rest of the world. What I started to say was this—that I would like to see the day come when the Congress of the United States would have the statesmanship and the courage not only to extend the Reciprocal Trade Act for 1 year or for 3 years, but to make it a permanent law so that the people of the United States, the producers of the raw material and the processors of the finished products could plan their programs not for 1 year, not for 3 years but so that they could plan and make a program for 10 or 15 years or even 25 years. There will always be the wisdom of the Congress to revise the law in any fashion it desires so as to meet changing conditions in the world in trade and in commerce. So I deeply regret that this Republican controlled committee, Republican by 15 to 10, did not at least follow the recommendations of their own President and allow him during the next 2½ years that he will be in power and that the Republican Party will be in power in the executive branch to make a program for more than a year, but to make it in the interest of everybody in the United States of America who is engaged in producing anything and out of which we have a surplus. But, if we cannot have the whole cake, we on our side of the House at least, 80 percent or 90 percent of us, are going to take one-third of it. That is better than nothing, and in getting one-third of it, we are getting more out of the promises of this administration on this particular matter than we have on many other things.

Mr. REED of New York. Mr. Chairman, I yield such time as he may require to the gentleman from Indiana [Mr. HARVEY]

[Mr. HARVEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. HOWELL].

SWEEPING PROBLEMS UNDER THE RUG

Mr. HOWELL. Mr. Chairman, the stopgap Reciprocal Trade Agreements Act extension bill before the House today is another step in a series of efforts by the leadership of the Congress to dispose of important problems facing our country merely by sweeping them under the rug—hiding them, as it were, for another year.

That is what was done on this measure just a year ago. At that time, the excuse that was given for putting this whole issue on ice for a year was to give the Randall Commission an opportunity to study the whole problem and make its report. The Commission made its study. It made its report months ago. But again we are putting the whole question on ice for another year.

I am speaking of two problems, not one. First, there is the problem of increasing our foreign trade on a reciprocal basis as recommended by the Randall Commission. And second, there is the problem of specific American industries presently undergoing extremely difficult adjustments as a result of what they regard as unfair, cutthroat, cheap labor competition from abroad.

Under the parliamentary procedure in effect here, the House is given no opportunity to attack either of these problems. We are, instead, handed a bill to continue the present law on the books unchanged for a temporary period of another year and we cannot amend it in any particular.

While this bill will make some of our industries quite unhappy because it provides no opportunity for bailing them out of severe competitive situations, it contributes nothing at all to foreign trade policy.

Having the act remain on the books may be important to our foreign policy from a psychological standpoint—as an indication to the rest of the free world that we are not going backward in our trade policy. But unless the authority of this law is used, through the negotiation of new trade agreements, it has no practical effect.

And that has been the situation since the new administration took office. Not a single trade agreement has been negotiated by the Eisenhower administration under the Reciprocal Trade Agreements Act. In fact, a definite promise was made last year that if the Congress extended the act for 1 year, it would not be used.

Has there been such a deal again this year?

We all know, Mr. Chairman, that the majority party is split down the middle in an unbridgeable chasm over this whole issue of economic cooperation versus economic isolationism. Ever since the trade-agreements program was put into

effect in 1934—20 years ago—the Republican Party has been completely split on this issue.

Disagreements within political parties are inevitable, often they are sectional. But when a political party is in power in this country—when it is the majority party—it has the duty and responsibility to lead, even when that requires it to face up to issues which divide its own ranks.

In this matter, as in many others, the Republican Party refuses to lead. It seeks, instead, to find face-saving devices to minimize or hide the disagreements within its ranks.

As a consequence, this problem of foreign trade is being swept under the rug for another year—as a political device to protect the Republican Party in a campaign year from having to declare itself and make its stand.

And that is all this bill is intended to do.

The pledge that the Congress will dig into this issue next year recalls a similar pledge made by the Republican leadership exactly a year ago. Are we to go on indefinitely postponing action, and pledging it for “next year”—a year that never materializes?

I can say this, however. The pledge will be kept in 1955 if we have a Democratic Congress. That is the only way we can be sure the issue will be permitted to come to a decisive vote.

We will meet problems—not sweep them under the rug.

Mr. COOPER. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, as one who has consistently supported the Reciprocal Trade Act since its inception, and the entire theory of that act, I cannot help but take the floor and say that in the last year or so I have developed a few inhibitions about some of the steps taken in carrying out that act.

One particular matter upon which I have been working for several months now, which does not quite come under the Reciprocal Trade Act but which has been thought related to it, I wish to call to the attention of the Congress, and at a later date I intend to take the floor at some length and will introduce a bill covering it.

We are building dams with taxpayers' money throughout the United States. We are extending our electrical power production facilities. In 1950, 11 percent of the turbine equipment and the governors for those turbines was purchased abroad. Today 63 percent of the electrical turbine equipment purchased for dams being built by the Bureau of Reclamation and the Army engineers is coming from foreign manufacturers. And then we are liable to find ourselves in trouble maintaining them or replacing them.

At the present time a firm in my own community, San Francisco, was the low bidder amongst five for turbines and governors for the Dalles Dam in Oregon, and a Japanese firm put in a bid which was 22 percent less. Under the Buy-American Act which says a foreign competitor is not entitled to it unless there is a difference of 25 percent—

Mr. SMITH of Mississippi. If the gentleman will yield, there is no provision in the Buy American Act with regard to percentage difference in bids.

Mr. SHELLEY. Well, it is a regulation.

Mr. SMITH of Mississippi. It is a regulation which has been used in the past. I would like to ask the gentleman with respect to these turbines to tell me whether any generator or turbine where they have been bought abroad has caused any trouble in getting it serviced or otherwise treated.

Mr. SHELLEY. I have a list of them on my desk right now. I cannot recall them offhand.

Mr. SMITH of Mississippi. The officials of the Bureau of Reclamation, the people who operate these dams, have never stated that they had any trouble.

Mr. SHELLEY. I have a list showing where various public utilities have had trouble with foreign equipment.

I might say that this American firm in my district in San Francisco was the low bidder before the Japanese firm put in their bid. The Japanese bid did not meet the specifications and upon the urgent plea of the division of the Department of State working on this feature the Army engineers threw out all bids about a month ago and are about to call for new bids. It will allow those foreign firms to now come in and shade their bids to within 2 or 3 percent of the regulation.

I wish to say to the gentleman from Texas and the leadership that what is happening which is weakening the strength of the Reciprocal Trade Act, which I believe is sound in theory, is the tendency of some of the people in the Department of State and in the Foreign Operations Administration to forget that they are employees of the American people and that they have a responsibility to business and working men in this country, and they are walking around in cloud 16 and acting as if they are working for every manufacturer of every foreign government.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HUNTER. Mr. Chairman, I would like to thank the gentleman from California for bringing to the attention of the House this very important information. I believe it indicates a bipartisan concern with this very serious problem.

Mr. COOPER. Mr. Chairman, I ask unanimous consent that all Members desiring to do so may extend their remarks at this point in the Record on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PHILBIN. Mr. Chairman, I strongly favor mutual trade and commercial intercourse with all nations of good will and friendly spirit.

I strongly oppose any agreement or arrangement with foreign nations which permits a flow of cheaply-produced, low-standard, sweat-shop or coolie fabricated goods to come into this country and undermine the employment of our citizens, our high standards of living and

the general prosperity of our industries.

Many times I have in good faith protested against the unfair and harmful operation and effects of the trade treaties upon various industries in my district and State. I have repeatedly urged that the escape clause be invoked to prevent hardship and disastrous consequences to our working people and our industries. But no constructive action has been forthcoming. Nothing but the promise that the Ways and Means Committee of the House would consider these vital matters in full detail next year.

I acknowledge that the committee should conduct a thorough study to determine just what effects are flowing from these treaties and especially to give representatives of business and labor and the general public the opportunity to present their side of the case. I am entirely willing to support reasonable trade treaties to stimulate world trade and buttress the economic strength of the free world.

But I am not willing to stand by idly while the trade treaty program is administered in such a way as to promote serious unemployment and depressed economic conditions in my district and State.

This Nation is pursuing an incredible policy. We are granting billions of the taxpayers' hard-earned money to help other nations build industrial units and businesses in competition with our own in world markets and then, as if that were not enough, we have under treaty laws permitted these nations to bring their products into this country to undermine and break down our American standards of wages, living, and conditions of work.

I cannot subscribe to such a short-sighted, unwise, economically unsound practice. Let us by all means encourage world trade upon which we, to a large extent respecting certain materials and goods, largely depend. But in the name of commonsense and in fairness to our own workers, our own businessmen and in the interest of our own industries and high American standards and in the interest of our own national prosperity, let us promptly stop cutthroat, unfair, sub-standard competition from abroad just as we stop it at home.

In the long run no nation or people can gain from such uneconomic prodigal practices as are typical of current operation of the trade treaties. Let them be equitably revised.

The only real question here is whether or not this treaty law should be extended for another year. Normally, if conditions were different, I would have no objection to a reasonable extension of time, but in the circumstances with so many people out of work, so many more faced with the loss of their jobs and certain definite recessionary factors apparent in the economy, I believe that the Congress should tackle these problems at once and not permit further delay.

A careful inquiry should be made concerning the extent of unemployment and recession caused by the importation of cheap, low-standard goods into this country. We can be fair, reasonable, and just with other nations of the world and

we can be generous as we have been but that does not mean that we have to open the doors to American markets to all the low-paid, low-priced areas of the world and permit them to scuttle the employment of high-paid American citizens and permit them to destroy our industries.

As in all other matters, there is a rule of reason here, and I think it should be followed. I would like to see the Congress tackle these questions promptly and for that reason I cannot support this measure.

Mr. TRIMBLE. Mr. Chairman, I am deeply concerned with the prospects for certain industries under the Reciprocal Trade Act unless the act is carefully administered. I refer especially to the glass industry and the coal industry. In our district, especially in the Fort Smith area, both industries are in a bad way. If trade restrictions are not judiciously handled both industries will be ruined. I understand that this bill tries, if possible, to protect these industries and does not contain the restrictions contemplated by the Randall Commission. I voted against the rule for this legislation because I wanted to be certain that these two great industries would have protection. I shall support the legislation because of its overall benefit in our world struggle against communism. In doing that we must not destroy our own economy. If commonsense prevails in the administration of the act we will be all right.

Mr. STRINGFELLOW. Mr. Chairman, last year, when the extension of the Reciprocal Trade Act came before this body for debate, I stood with the administration stating that I would support the 1-year extension in the hope and belief that a sound program would be worked out which would foster and protect domestic industry. I stand before you this day a sad and disillusioned Representative, because I feel domestic industry has already been deserted, since no program of assistance or help has come during the past 12 months.

Every day brings to my desk many letters from miners in the State of Utah in lead, zinc, fluorspar, coal, and even in our copper mines, telling me that they have lost their jobs and there is little likelihood of their returning to work in the near future. Each of these miners finds himself unemployed today not because of any decline in demand for raw materials on the American market, but because the Democratic administration and the present administration has invoked a series of trade agreements which are based upon fostering foreign production at the expense of our own domestic industries in this country. What is true in the mineral industries is also true in the wool industry, and in many instances this can also be applied to a great number of our manufactured commodities in this country.

In our humanitarian desires to save the world we have plundered and robbed our own people of a way to make a living. We have taken the bread and butter out of the mouths of American workers and given it to foreign producers in lands half way around the world. We have listened to the beguiling words of the slogan architects who tell us that we

have go to save the economy of foreign nations at any expense, regardless of the effect it may have upon our own taxpayers or upon the Treasury of the United States. I am certainly not so blinded by my desire to protect American producers that I believe we should not carry on a constructive program of trade with other free nations of the world. But let it be a system of fair trade based upon equitable principles which we can defend before the people of America, and not a system of a world dole to make other nations rich at the expense of our United States working-man.

The heart of our foreign-trade policies should be the maintenance of a strong and prepared United States. If our Nation is weak we cannot be of any help to other peoples or other nations in these difficult days when we are threatened by aggression and communistic infiltration on many different fronts throughout the world. Our Nation can be only as strong as the individual citizens who compose this great land. Whenever unemployment creeps into our midst we become weak, because a man out of work is disillusioned, malcontent, and loses faith in his government. We have achieved great economic strength in the United States during the years since our Nation was founded by encouraging and protecting the free-enterprise system. Our land will remain a great productive Nation only so long as the industries which we now have are kept in a healthy state of production so that they may produce the vital goods which are required both in peace and in war.

During the almost 10 years since the end of World War II, our Nation has spent almost \$50 billion in military and economic aid to the so-called free nations of the world. Yet I ask you, what do we have to show for these huge expenditures today? The miserable failure of our so-called allies to reach any constructive or unanimous decision at the Geneva Conference shows how desolate and what a complete failure our efforts have been. Likewise our efforts to form a strong and united army to defend Europe has met with constant rebuff by both England and France. We find ourselves today in a most peculiar situation, wherein we receive more cooperation and help from our former enemies, Germany and Japan, than we do from the nations of England and France. To me this boils down to one concrete conclusion: We cannot buy friendship with American dollars. Nor can we promote world trade and prosperity by destroying American systems of production and laying off American workers.

We have tried fruitlessly for the last year to get administration action to take the lead and zinc mines in the West. We were somewhat encouraged when the Tariff Commission made its report to the President calling for increased tariffs on foreign imports, but as yet no action has been taken nor do we have any assurance that relief will be granted.

On June 7, 1954, the Office of Defense Mobilization issued a directive to the General Services Administration calling for the purchase of lead and zinc

for the Nation's stockpile. It is true that this action may offer some temporary market to the United States smelters and refineries who do have great backlogs of these minerals on hand. However, this assistance will only be temporary and in fact may eventually cause more chaos in our mining industries.

Only this morning I talked on the telephone with Mr. A. J. Walsh, Commissioner of Emergency Procurement Services regarding this stockpiling program. He assured me that he too was of the opinion that increased United States purchases of lead and zinc would probably result in greater dumping of foreign minerals on our markets. He stated that any such stockpile program, unless coupled with restrictions on foreign imports would encourage foreign producers to rush more lead and zinc to the American market. Thus in the end the prices of lead and zinc will probably be further depressed rather than enhanced.

We must once and for all make up our minds whether we are going to have a strong and prepared mineral producing industry in our Western States. Unless this decision is made some of our vital mineral-producing mines will be closed because they cannot compete with foreign slave labor.

Some people may think that we should get out of the business of mining if we cannot compete with foreign producers, but the bitter experience we had during World War II when we could not obtain minerals on the world market refutes this argument. We must continue to have a strong mineral development program in our Nation or we will suffer the dire consequences of being caught without the tools and means of preparing and defending ourselves against aggressive attacks.

Our wool industry in this Nation has also been led to the sacrificial altar because we have felt that it was more important to maintain friendly relationships with Australia, New Zealand, and Uruguay than it was to preserve our own domestic wool industry.

It is true that the administration has come forward with a wool program which may, if enacted have some constructive help in this particular field, but as you all know a few Members in Congress who are opposing President Eisenhower and Secretary Benson's policies of flexible price supports have prevented the wool bill from coming onto the floor for debate.

Gentlemen, I am voting against the Reciprocal Trade Extension Act today not because I oppose true reciprocal trade, but because the present trade program is wholly unfair to American industries. Until the administration and Congress can work out a fair and adequate program which will insure that the industries of my State and many of the other States of this Nation are given a chance for survival and an opportunity to compete in the marketplace, I cannot in good conscience vote for any extension of our present "giveaway" trade program.

Mr. REED of New York. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, I would certainly be the last to attempt at this time to inject any opposition to the administration's effort to utilize every means of securing the peace of the world at this time. However, Mr. Chairman, I think that you have heard this afternoon a sufficient number of incidents which bring to light the fact that these unregulated trade agreements are doing serious damage to much of the industry of our country. Knowing that fact, there is no doubt in my mind that the time is ripe for a restudy of the terms of the tariff agreements act that was entered into 20 years ago, because since that time there have been many, many changes in our economic picture as well as changes in the relationship of this country to the other peoples of the world.

We must recognize that during the period of war it was easy enough to have the tariff agreements act favorable toward us, and in later years it has been quite easy for those engaged in manufacture and heavy industry of this country, producing material that the free world wants, to use the taxpayers' dollars to subsidize that product to other parts of the world. We cannot continue to do these things; neither can we continue to fail to recognize that a large segment of our industry represented by small business throughout this country is being seriously damaged.

I think without any question this promise of the Ways and Means Committee to take sufficient time during the next 12 months to make a thorough study of the tariff agreements program is essential. With this assurance we can only hope that, if this bill passes, provisions will be adopted to prevent further injury to domestic labor and industry.

Mr. PATTERSON. Mr. Chairman, I rise to speak in opposition to H. R. 9474. How in good conscience can we pass legislation which is so patently detrimental to the well-being of American industry and the American working man?

Our industry, yes, in fact, our country, has been built upon the ingenuity and hard work of the American people. We thrive on fair competition in all phases of our industrial life and business, but under this proposed legislation, we will be relegated to a second-class industrial nation. We will become the victims of unfair competition generated through and supported by our own tax money poured into foreign aid programs.

Destruction of our clock and watch industry through unfair foreign competition strikes a vital blow to our national defense by destroying our skilled trades and workers. England is a classic example of this, for during World War II she had a dearth of skilled and precision workers and was compelled to rely on American industry for aid in the manufacture of fuses. Such is only one of the many dangers involved when a nation allows its industry to become weak from within, due to unbridled competition from foreign imports.

In my district the industries endangered by this influx of foreign goods are those engaged in the manufacture of clocks, watches, rubber footwear, pins, both safety and straight, fishing tackle,

glass, metal clippers, and many others too numerous to mention.

Further, Mr. Chairman, how can we compete with this terrible influx of cheap foreign-made goods and protect our high standard of living and wages gained after such hard struggles.

I was shocked to read in the record of the hearings before the Subcommittee on Appropriations that our American industry is subject to embargoes in many countries which have enjoyed American economic aid. Mr. Chairman, I submit the following for the record and ask unanimous consent for its incorporation with statements made by my colleague, the gentleman from Ohio, Mr. FRANK T. Bow. For the information of my colleagues the list of countries invoking embargoes against our goods may be found on page 511 of the report of the Subcommittee on Appropriations.

Few of us realize that since 1937 we have cut our tariff protection 50 percent while other nations have increased theirs by more than 50 percent. Furthermore out of the 45 free countries in the world today we are the eighth lowest in the form of tariff barriers. Mr. Chairman, I am just endeavoring today to protect our standard of living, the wage scale of our workingmen, and our industry itself upon which all of us are totally dependent.

RESTRICTIONS ON IMPORTS OF UNITED STATES PRODUCTS

Mr. Bow. Do we have some embargoes on other materials, other than automobiles, in some of these countries?

Mr. SAMUEL W. ANDERSON. Oh, yes.

Mr. Bow. Against products made in this country?

Mr. SAMUEL W. ANDERSON. Oh, yes.

Mr. Bow. Does your Department have a list of those embargoes and the tariff walls, in comparison to our own, with which we could be supplied?

Mr. SAMUEL W. ANDERSON. Yes. That as a generality would be a very elaborate study. I would like to suggest, if I may, that we give you the most important embargoes, if you wish, for the record, rather than to go the whole hog, because it would be an enormous document.

Mr. Bow. I think it is one thing that a lot of people do not realize when they talk about trade; that we do have barriers against us across the sea.

Mr. SAMUEL W. ANDERSON. There is no question about it.

Mr. Bow. They sometimes wonder why we have some tariffs on the same products across the sea, where the tariffs are even higher.

Mr. SAMUEL W. ANDERSON. There is no question about it. The present situation in the world, with the dollar shortage being what it is, with the restrictions against the American goods, is such that restrictions against us substantially exceed in severity and in magnitude these restrictions against other goods.

(The information follows:)

IMPORTANT UNITED STATES PRODUCTS, IMPORTS OF WHICH ARE EXCLUDED OR SEVERELY RESTRICTED BY THE OPERATION OF IMPORT RESTRICTIONS IN CERTAIN FOREIGN COUNTRIES

Recent experience has been that while their importation from the United States is not specifically prohibited on a priority basis, the operation of day to day import and exchange quotas and/or other licensing policies has resulted in no more than small or infrequent licensing of the following:

Country and commodity

Brazil: Assembled automobiles, textile fabrics, shoes, hosiery, steel files and rasps.

Colombia: Grains; certain dairy products; fruits and vegetables; certain meat products; certain vegetable fats and oils; sugar; certain tobacco products; hides and skins, certain leather products; assembled automobiles over 1,240 kilograms in weight, except those of 4-wheel drive and except those for public transportation; rubber tires for vehicles, casings; except specified sizes; coal, except anthracite; certain textiles and textile manufactures; certain paper products; certain soaps.

Cuba: None.

Mexico: Cellophane, powdered eggs, powdered milk, sulphonated oils.

Venezuela: Leather footwear.

Canada: None.

Belgium-Luxembourg: Assembled automobiles, nylon stockings, coal, automotive replacement parts, dressed leather, certain machine tools, certain pharmaceuticals, manufactured tobacco products, coated abrasives.

France: Certain fresh fruits; prunes (dried) and raisins; typewriters, radio receiving sets, household; vacuum cleaners; amateur box-type and folding cameras; motion-picture projectors; motion-picture films (not exposed); dental metals, precious; mechanical pencils; fountain pens; office machine ribbons.

Germany, Federal Republic: Coarse grains; flour and milling products; fruits, other than citrus and tropical fruits; fish and fish preparations; oil cake; leather; furs; wax and paraffine; assembled automobiles; certain rubber articles; certain iron and steel products.

Italy: Tires (inner tubes and casings).

Netherlands: Electrical and mechanical refrigerators; washing and wringing machines; cash registers; assembled automobiles; used bags (jute); compressors; automobile tires and tubes; walnuts; dried apples; salmon; soaps and soap powder.

Switzerland: Trucks; nylon hosiery; parts for watches.

United Kingdom: Assembled automobiles; typewriters; canned fruit; canned fish; fresh citrus fruits; small tractors; dictating machines.

India: Assembled automobiles; motors and generators of certain types; certain textile machinery; industrial sewing machines; certain precision and measuring tools; dairy, poultry, and farming appliances; optical and other lenses; sheet and plate glass; electric bulbs and fluorescent tubes; powdered milk in bulk; canned fruits, vegetables, and fish; cigars, cigarettes, and unmanufactured tobacco; belt dressing, belt preservatives, and leather belting; coal-tar dyes; soaps.

Japan: Luxury-type consumer goods; luxury-type food products.

Philippines: Edible oils and fats; beer; soap; fresh vegetables; rubber-soled canvas shoes; cotton weaving yarns; certain cotton manufactures; certain paper products; incandescent and fluorescent bulbs; nails.

Union of South Africa: Canned foodstuffs; fruit juices, beverages; tobacco products; certain textile manufactures, certain electrical manufactures; assembled automobiles; certain glass products; rubber tires; certain paper products; furniture; certain leather manufactures.

Mr. DONOHUE. Mr. Chairman, there are many workers and industries, in my area—textiles is an outstanding example, to cite one—suffering severe hardship from the unfair foreign competition permitted under our present trade and tariff system.

I have repeatedly, on this House floor, before the Tariff Commission, before the

Committee for Reciprocity Information, and in letters to the Randall Commission, as well as to the President protested against these continuing injustices to American citizens and industries. I have consistently urged that appropriate recommendations be made by these agencies and corrective action taken by the President through the provisions of the peril point and escape clauses of existing legislation. I regret to say my individual and cooperative efforts have so far met with little success.

I had hoped an opportunity would be afforded some of us here today to debate and discuss this vitally important subject. I very deeply regret that under the rule in which this bill has been brought in here it is impossible to attempt revision or amendment. We must either accept or reject this bill as it is.

As I have stated so often in the past, I am not opposed, personally, to the cooperative economic theory at the basis of our trade agreements program. Also, I have the greatest respect, as well as admiration, for the President of the United States. I would therefore, hesitate, indeed to join in any action that might virtually sabotage his efforts to promote friendly international relations with valuable allies.

Additional ammunition, for Communist propaganda, in furtherance of the obvious Kremlin objective to divide and conquer the Christian world, should certainly not be provided at this critical hour of our destiny.

The Good Lord knows we need unity at home and friendly allies abroad if we are to successfully turn back the Communist challenge threatening the survival of ourselves and all free nations.

Nevertheless, I feel compelled to again emphasize my conviction and understanding that in the fulfillment of this Trade Agreements Act the Congress did not intend to thereby eliminate widespread domestic employment and promote the disintegration of our own domestic industries.

I believe the ordinary American taxpayer has been and is making all the generous sacrifices that can be reasonably asked for the rehabilitation of some peoples and nations that may, in an hour of peril be of doubtful loyalty. Any further impositions, by unreasonable and impractical tariff reductions, may, I fear, inflict a dangerous blow to American morale, which must be kept at an increasingly high level during these threatening times.

I earnestly hope and pray that, under the extended act, the President, in his wisdom, will exercise his executive power to equitably correct current and prevent any increasing hardships upon so many of our American workers and industries resulting from cheap foreign importations that cannot be competitively met with our high living and wage standards. In justice to our own people, they should be reasonably protected in their jobs at least until our expanding economy is ready to profitably absorb them. We cannot now afford to add to the unemployment trend that is still so dangerously threatening the national economy.

Mr. REED of New York. Mr. Chairman, there are no further requests for time on this side.

The CHAIRMAN. There being no further requests for time, under the rule the bill is considered as having been read for amendment. No amendment is in order to the bill except amendments offered by direction of the Committee on Ways and Means.

Are there any committee amendments?

Mr. REED of New York. There are no committee amendments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SAYLOR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, pursuant to House Resolution 580, he reported the same to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. BAILEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BAILEY. I am, sir.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BAILEY moves to recommit the bill H. R. 9474 to the House Committee on Ways and Means.

Mr. REED of New York. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. COOPER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 281, nays 53, answered "present" 3, not voting 97, as follows:

[Roll No. 81]

YEAS—281

Abblitt	Bender	Buchanan
Adair	Bennett, Fla.	Burleson
Addonizio	Bentley	Bush
Albert	Berry	Byrne, Pa.
Alexander	Blatnik	Campbell
Allen, Ill.	Boggs	Canfield
Andrews	Boland	Carnahan
Angell	Bolton	Carrigg
Aspinall	Frances P.	Celler
Auchincloss	Bolton,	Chelf
Baker	Oliver P.	Chenoweth
Barden	Bosch	Chiperfield
Barrett	Bowler	Chudoff
Bates	Boykin	Church
Battle	Brooks, Tex.	Cole, N. Y.
Beamer	Brown, Ga.	Colmer
Becker	Brownson	Condon
Belcher	Broyhill	Cooley

Cooper	Hoeven
Corbett	Hoffman, Ill.
Cotton	Holifield
Coudert	Holmes
Cretella	Holtzman
Crosser	Hope
Crumpacker	Hosmer
Cunningham	Howell
Curtis, Mass.	Hyde
Dague	Ikard
Davis, Ga.	Javits
Davis, Tenn.	Jensen
Dawson, Ill.	Jonas, N. C.
Dawson, Utah	Jones, Ala.
Deane	Jones, Mo.
Delaney	Jones, N. C.
Dempsey	Karsten, Mo.
Derounian	Kean
Devereux	Keating
D'Ewart	Kelley, Pa.
Dies	Kilburn
Dondero	Kilday
Donohue	King, Pa.
Donovan	Kluczynski
Dorn, N. Y.	Landrum
Dowdy	Lanham
Eberharter	Lantaff
Edmondson	Latham
Elliott	LeCompte
Ellsworth	Lesinski
Engle	Lipscomb
Evins	Long
Fallon	Lovre
Fernandez	Lyle
Fisher	McCarthy
Fogarty	McCormack
Forand	McCulloch
Ford	McDonough
Forrester	McMillan
Fountain	McVey
Frelinghuysen	Mack, Ill.
Friedel	Mack, Wash.
Fulton	Magnuson
Garmatz	Mahon
Gary	Marshall
Gathings	Martin, Iowa
Gavin	Matthews
Gentry	Merrill
George	Morrow
Goodwin	Metcalf
Gordon	Miller, Kans.
Graham	Miller, Md.
Granahan	Miller, Nebr.
Grant	Miller, N. Y.
Green	Mills
Gregory	Morano
Gwinn	Moss
Hagen, Calif.	Moulder
Hale	Multer
Haley	Mumma
Halleck	Murray
Harden	Natcher
Hardy	Norblad
Harrison, Nebr.	Norrell
Harrison, Wyo.	Oakman
Hart	O'Brien, Ill.
Harvey	O'Brien, Mich.
Hays, Ark.	O'Brien, N. Y.
Hébert	O'Hara, Ill.
Herlong	Osmers
Heseltun	Ostertag
Hess	Passman
Hiestand	Patman
Hill	Patten
Hillelson	Pelly
Hillings	Pfost
Hinshaw	Poage

NAYS—53

Andersen,	Golden	Patterson
H. Carl	Gross	Perkins
Andresen,	Hagen, Minn.	Philbin
August H.	Hand	Phillips
Bailey	Hays, Ohio	Reed, Ill.
Bennett, Mich.	Hoffman, Mich.	Saylor
Betts	Hunter	Secrest
Bonin	Johnson, Wis.	Shafer
Bow	Kearns	Short
Bramblett	Kee	Smith, Kans.
Bray	Lane	Staggers
Brown, Ohio	McGregor	Steed
Budge	McIntire	Stringfellow
Byrd	Mollohan	Utt
Clardy	Morgan	Van Zandt
Cole, Mo.	Neal	Wampler
Coon	Nelson	Wilson, Calif.
Dorn, S. C.	Nicholson	
Fenton	O'Hara, Minn.	

ANSWERED "PRESENT"—3

Cederberg	Mason	Smith, Wis.
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NOT VOTING—97

Abernethy	Gubser	O'Neill
Allen, Calif.	Harris	Pilcher
Arends	Harrison, Va.	Pillion
Ashmore	Heller	Preston
Ayres	Holt	Prouty
Bentsen	Horan	Radwan
Bishop	Hruska	Reece, Tenn.
Bolling	Jackson	Richards
Bonner	James	Riley
Brooks, La.	Jarman	Roosevelt
Buckley	Jenkins	Scott
Burdick	Johnson, Calif.	Sheehan
Busbey	Jonas, Ill.	Sheppard
Byrnes, Wis.	Judd	Smith, Va.
Camp	Kearney	Springer
Cannon	Kelly, N. Y.	Stauffer
Carlyle	Keogh	Sutton
Chatham	Kersten, Wis.	Thompson, La.
Clevenger	King, Calif.	Thompson,
Curtis, Mo.	Kirwan	Mich.
Curtis, Nebr.	Klein	Tollefson
Davis, Wis.	Knox	Van Pelt
Dingell	Krueger	Velde
Dodd	Laird	Vursell
Dollinger	Lucas	Wainwright
Dolliver	McConnell	Weichel
Doyle	Machrowicz	Wickersham
Durham	Madden	Willis
Feighan	Mailliard	Wilson, Tex.
Fine	Meador	Withrow
Fino	Miller, Calif.	Wolcott
Frazier	Morrison	Yorty
Gamble	O'Konski	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Arends for, with Mr. Bishop against.
Mr. Springer for, with Mr. Mason against.
Mr. Madden for, with Mr. Busbey against.
Mr. Withrow for, with Mr. O'Konski against.

Mr. Allen of California for, with Mr. Knox against.

Mr. Harrison of Virginia for, with Mr. Smith of Wisconsin against.

Mr. James for, with Mr. Weichel against.

Mr. Davis of Wisconsin for, with Mr. Van Pelt against.

Mr. Wainwright for, with Mr. Cederberg against.

Until further notice:

Mr. Jackson with Mr. Keogh.
Mr. McConnell with Mr. Klein.
Mr. Vursell with Mr. Bonner.
Mr. Ayres with Mr. Fine.
Mr. Byrnes of Wisconsin with Mr. Dollinger.

Mr. Curtis of Nebraska with Mr. Camp.
Mr. Curtis of Missouri with Mr. Preston.
Mr. Stauffer with Mr. Pilcher.
Mr. Scott with Mr. Roosevelt.
Mr. Holt with Mr. Heller.
Mr. Horan with Mr. Buckley.
Mr. Hruska with Mr. King of California.
Mr. Jenkins with Mr. Miller of California.
Mr. Fino with Mr. Doyle.
Mr. Gamble with Mr. Sheppard.
Mr. Prouty with Mr. Yorty.
Mr. Reece of Tennessee with Mr. Machrowicz.

Mr. Wolcott with Mr. Ashmore.
Mr. Velde with Mr. Chatham.
Miss Thompson of Michigan with Mr. Morrison.

Mr. Sheehan with Mr. Kirwan.
Mr. Tollefson with Mr. Dingell.
Mr. Meador with Mr. O'Neill.
Mr. Pillion with Mr. Frazier.
Mr. Gubser with Mr. Abernethy.
Mr. Kearney with Mr. Willis.
Mr. Johnson of California with Mr. Dodd.
Mr. Laird with Mr. Jarman.
Mr. Mailliard with Mrs. Kelly of New York.
Mr. Jonas of Illinois with Mr. Brooks of Louisiana.

Mr. Judd with Mr. Bolling.
Mr. Clevenger with Mr. Wilson of Texas.
Mr. Radwan with Mr. Feighan.
Mr. Burdick with Mr. Thompson of Louisiana.

Mr. CEDERBERG. Mr. Speaker, I have a live pair with the gentleman from New York, Mr. WAINWRIGHT, who if present would have voted "aye." I voted "no." I therefore withdraw my vote of "no" and vote "present."

Mr. SMITH of Wisconsin. Mr. Speaker, I have a live pair with the gentleman from Virginia, Mr. HARRISON, who if present would have voted "aye." I voted "no." I therefore withdraw my vote of "no" and vote "present."

Mr. MASON. Mr. Speaker, I have a live pair with the gentleman from Illinois, Mr. SPRINGER, who if present would have voted "aye." I voted "no." I therefore withdraw my vote of "no" and vote "present."

Mr. HOFFMAN of Michigan. Mr. Speaker, I was present in the hall when my name was called talking to a colleague. If I can qualify I would like to vote.

The SPEAKER. Was the gentleman listening when his name was called?

Mr. HOFFMAN of Michigan. Yes.

The SPEAKER. The gentleman qualifies.

Mr. HOFFMAN of Michigan. Then I qualify and vote "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

LEGISLATIVE PROGRAM FOR NEXT WEEK

(Mr. RAYBURN asked and was given permission to address the House for 1 minute.)

Mr. RAYBURN. Mr. Speaker, may I inquire of the gentleman from Indiana [Mr. HALLECK] what we may expect as to the program for next week?

Mr. HALLECK. Mr. Speaker, I am glad to respond to the request of the gentleman from Texas. I may say first of all that I had suggested, as I think the gentleman from Texas has, that the matter which we have just disposed of would be the last order of business for today; however, I am informed by members of the Committee on the Armed Services on both sides of the aisle that it is very important to make certain revisions in respect to the law having to do with the commissioning of drafted doctors and dentists. I am quite sure that can be handled by unanimous consent today, I think it should be, because it is a matter of great urgency.

Mr. Speaker, I ask unanimous consent that when we adjourn today we adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, on Monday there are a number of bills from the District of Columbia to be disposed of. A list of them follows:

S. 3213, merger of Catholic and Columbia Universities.

H. R. 9344, prohibit White House picketing.

H. R. 1980, Jones Point Bridge Authority.

S. 2657, amending the Healing Art Act.

S. 1004, employment of felons.

S. 2654, sale of Montgomery County property.

H. R. 7128, real assessors, amend act.

H. R. 7132, exempt from tax, Veterans of Foreign Wars.

H. R. 7853, to permit retired police, firemen, and teachers to waive all or part of retirement.

H. R. 8692, permit payment of certain trust accounts to beneficiaries.

H. R. 8973, to abolish the issuance of metal badges for hackers.

H. R. 8974, to permit reinvesting of insurance companies in the International Bank for Reconstruction and Development.

H. R. 9077, to amend the District of Columbia Law Enforcement Act of 1953.

Mr. Speaker, following consideration of bills from the District of Columbia, we will call up the District of Columbia appropriation bill. Whether or not that can be disposed of Monday I do not know. If not, consideration of that bill will continue on Tuesday.

Tuesday is the day regularly assigned for bills on the Private Calendar. While we called the Private Calendar just a week ago, there were a number of bills that were not reached at that time, and I think it would be well to call the Private Calendar again on Tuesday next.

That will be followed by the bill, S. 2475.

I might ask the gentleman from Illinois whether it is expected that these District bills on Monday will be controversial?

Mr. SIMPSON of Illinois. You might expect anything about them.

Mr. HALLECK. I started to refer to S. 2475, which has been reported by the Committee on Agriculture, having to do with the disposal of surplus agricultural commodities; also H. R. 8729, to amend the Federal Reserve Act; and H. R. 9143, also to amend the Federal Reserve Act. If a rule is granted, we would like to take up H. R. 8753, the Motor Pool Act, and H. R. 5183, the Virgin Islands Act. If the MSA bill is reported and a rule granted, we will put it on. If a rule to send the housing bill to conference is reported, we might call that; we would like to call it next week. However, it would not be called before Wednesday. Of course, conference reports will be in order at any time, and there may be some conference reports.

Mr. RAYBURN. The gentleman then is doubtful about the dynamic part of the program being on for next week.

Mr. HALLECK. Well, I do not know what the gentleman refers to as dynamic, but in any event that is the program.

URGENT NEED FOR IMPROVED UNEMPLOYMENT COMPENSATION

(Mr. GARMATZ asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GARMATZ. Mr. Speaker, with the closing of the Army Signal Depot in Baltimore, the shipyards with not much more than skeleton forces, and the many other layoffs in the city due to the business recession, the unemployment situation is quite serious and the unemployment compensation is proving entirely inadequate.

Therefore, I have filed with the Ways and Means Committee a statement on the bill I introduced to increase unemployment compensation and also on the bills to grant unemployment compensation to Federal civilian employees which they are now considering. Under leave to extend my remarks, I am including a copy of my testimony.

I sincerely hope the committee will report this legislation out promptly so the House can take early action on it.

TESTIMONY BY CONGRESSMAN EDWARD A. GARMATZ, DEMOCRAT, MARYLAND, BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS ON PENDING BILLS TO REVISE UNEMPLOYMENT COMPENSATION

Mr. Chairman and members of the committee, as one of the sponsors of legislation to expand and liberalize the unemployment compensation law, I urge prompt action by this committee on the Forand bill, H. R. 9430, which 81 of us in the House have joined in introducing, and also on other legislation before you to extend unemployment compensation coverage to Federal employees.

I appreciate very much the support voiced by the Department of Labor officials at your hearings earlier in behalf of covering Government employees into the program. The Chairman of the Civil Service Commission also made an impressive and convincing statement on this matter.

In the Baltimore area, the arbitrary slashing of many Federal Government functions resulted in heavy reductions in force during the past year, and those people—many of whom had devoted years of service to the Federal Government—had absolutely no cushion to fall back on, such as is provided other workers by unemployment compensation.

While I know it is not an attempt to present a scientific report on this matter for all separated Government employees, some facts put forward by Under Secretary of Labor Arthur Larson, on the experience of separated Labor Department employees, struck me as being extremely significant.

He reported that after 3 or 4 months from the time of leaving their Government jobs, 3 out of every 10 were out of work and looking for jobs; more than 3 out of every 10 had been jobless for 3 months or more, and 4 out of 10 had been jobless for from 1 to 3 months; most of those finding jobs had to take pay cuts—a third of them took cuts of more than \$1,000 a year—close to one-half of the reemployed had to take temporary jobs; women found it more difficult than men, and those 45 or over were having an extremely difficult time finding employment. Furthermore, the accrued annual leave of these people—vacation pay they had

not used up before leaving the Government—was adequate to cover the period of unemployment of only one-third of the separated workers.

Those statistics show how cruel and heartless it is for the Government to go out into the country and recruit people for Government work, urge them to take less essential jobs in order to serve their Government, and then throw them out with no rights to unemployment compensation.

What we are doing to these Government employees—and the Civil Service Commission Chairman presented this very well—is forcing them to go without vacations they are entitled to and need, in order to pile up annual leave as a cushion against appropriation cuts or executive changes which lead to reductions in force. We are permeating the whole Federal establishment with a feeling of insecurity and fear. How can you get the best work out of people in that kind of situation?

THE FORAND BILL

On the broader question of improved unemployment compensation for workers in private enterprise, I want to say that the present levels of benefits are unrealistic and out of date. Prompt action is necessary, because, despite the reassuring words from some Government officials that things will eventually pick up, the fact is that they are still getting worse.

For instance, the latest figures on insured unemployment in Baltimore show that we have twice as many unemployed in our city alone, as the whole State of Maryland had a year ago. This refers only to those unemployed who come under the unemployment compensation system. And one of the frightening aspects of this is that almost 10 percent of those in Baltimore have used up entirely their unemployment compensation benefits.

Last June, in all of Maryland, there were 10,000 unemployed coming under the unemployment insurance program. Figures I have obtained from the Labor Department show for the most recent period, 20,500 in Baltimore alone. In the State, the total is now up to nearly 34,000. And about 10 percent of those, too, have used up all their benefits.

So this is obviously a serious matter. It shows that we absolutely must extend the period of coverage from the present maximum of 26 weeks to 39 weeks, as provided for in the Forand bill. That is not to say that this will solve the basic problem of unemployment. Of course, it will not. The only real solution is to get busy and restore the conditions in this country economically which will bring about full employment. We have the word of many outstanding economists, including Sumner Schlichter, of Harvard, who is certainly no New Dealer, that the administration has not been meeting this challenge effectively.

The Chairman of the President's Council of Economic Advisers, Dr. Arthur Burns, while outlining no specific program of attack on the recession, nevertheless does concede that the present level of unemployment is, as he put it at his press conference, "intolerable."

This committee has limited jurisdiction on the type of measures it can recommend at this time which would serve as an effective attack on recession, but in this one matter of unemployment compensation, you have a real opportunity to start the congressional ball rolling to improve the situation.

You have the assurance from President Eisenhower that he thinks the State unemployment compensation benefits should be increased to provide weekly benefits up to one-half the regular weekly pay of an unemployed worker—up to a maximum of two-thirds of a State's average weekly wage. That

is exactly what he asked the States to provide in this appeal to them some months ago.

None of the States acted on his request. Now the time has come, I believe, when we must take action on a national basis. This bill carries out exactly what the President recommended on improvement of unemployment compensation. I'm sure he was sincere in suggesting these improvements; therefore, I think we should go ahead and enact the kind of program he has told the States they should have.

In the case of Maryland, the Forand bill would mean maximum weekly benefits of about \$41 instead of the present maximum of \$30. No family can live on \$30 a week. Few can manage today on \$41, but \$11 a week makes a whole lot of difference to a family which is otherwise without income.

I have devoted most of my testimony to the situation in Baltimore. As I told the House in March, when a city like Baltimore, with its tremendous diversification of industry and variety of employment opportunities, is experiencing a labor surplus—widespread unemployment—then the situation elsewhere in the country must be really grave. As I understand it, there is no longer a single labor market area in the Nation classified as a group I (short labor supply) area, while most of the major areas of the Nation are now in the surplus category. That means skilled workers walking the streets, haunting the employment offices and hiring halls, getting no encouragement and finding no suitable employment.

Many of us had hoped we had reached the level of economic understanding and initiative in the United States that we could avoid this kind of thing. The Employment Act of 1946 was supposed to lay the groundwork for maintaining maximum employment.

Somewhere along the line in the past year, we have digressed from the path of full employment thinking and we have been getting into economic trouble. Restoring the purchasing power of our people is the first essential step to getting back on the right path. Providing decent minimum unemployment compensation benefits is an absolute must in that regard.

CORRECTION OF VOTE

Mr. McDONOUGH. Mr. Speaker, on the last rollcall when Mr. McCONNELL's name was called, I answered, thinking it was my name, and when my own name was called, I voted. The RECORD shows that the gentleman from Pennsylvania voted, but he was not present. I ask unanimous consent that the RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDER GRANTED

Mr. WILLIAMS of New Jersey asked and was given permission to address the House for 30 minutes on Tuesday, June 15.

PERSONAL EXPLANATION

Mr. JUDD. Mr. Speaker, during the rollcall on the reciprocal trade agreement bill, I was unavoidably absent from the Chamber. Had I been present, I would have voted "aye."

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. SIKES addressed the House. His remarks will appear hereafter in the Appendix.]

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7258) entitled "An act for the relief of the Willmore Engineering Co."

The message also announced that the Senate had ordered that the bill, S. 3050, an act to amend the Agricultural Adjustment Act of 1938, as amended, be returned to the House of Representatives in compliance with the request for the return thereof.

UTILIZATION IN ENLISTED GRADE OR RANK IN THE ARMED FORCES OF PHYSICIANS AND DENTISTS

Mr. SHORT. Mr. Speaker, your Committee on Armed Services has cleared this particular matter with both the majority and minority leaders. Therefore, I ask unanimous consent for the immediate consideration of the bill (S. 3096) to further amend section 4 of the act of September 9, 1950, in relation to the utilization in an enlisted grade or rank in the Armed Forces of physicians, dentists, or those in an allied specialist category.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. KILDAY. Reserving the right to object, Mr. Speaker, will the gentleman from Missouri explain the bill?

Mr. SHORT. I shall be very happy to. It is a rather important matter and one that is very urgent.

Mr. Speaker, the purpose of the proposed legislation, S. 3096, is to amend section 4 of the doctors draft law so as to authorize the utilization of any physician or dentist in a professional capacity in an enlisted grade or rank if the physician or dentist fails to qualify for, or fails to accept, a commission, or if his commission is terminated.

The simple issue is whether the Congress wishes to enact legislation which will permit the use of physicians and dentists as enlisted personnel in those cases in which the individual physician or dentist, for security reasons, fails to qualify for a commission, or disqualifies himself, to continue on active duty as a commissioned officer. It likewise will permit a physician or dentist who refuses a commission, for any reason, to be used, in his professional capacity, as an enlisted man.

The problem stems from an opinion of the United States Circuit Court of Appeals for the Fourth Circuit in the case of Nelson against Peckham, in which it was held that the words of the Doctors

H. R. 9474

IN THE SENATE OF THE UNITED STATES

JUNE 14 (legislative day, JUNE 11), 1954

Read twice and referred to the Committee on Finance

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized to
4 enter into foreign-trade agreements under section 350 of the
5 Tariff Act of 1930, as amended and extended (19 U. S. C.,
6 sec. 1351), is hereby extended for a further period of one
7 year from June 12, 1954.

Passed the House of Representatives June 11, 1954.

Attest:

LYLE O. SNADER,

Clerk.

83d CONGRESS
2d Session

H. R. 9474

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

JUNE 14 (legislative day, JUNE 11), 1954

Read twice and referred to the Committee on Finance

TRADE AGREEMENTS EXTENSION

JUNE 16 (legislative day, JUNE 11), 1954.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 9474]

The Committee on Finance to whom was referred the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

H. R. 9474 extends for 1 year the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended. Under present law, this authority expired June 12, 1954. Your committee's bill extends the authority until June 12, 1955.

GENERAL STATEMENT

The authority of the President to enter into reciprocal trade agreements was first granted in 1934 and has been continued by extensions at various times. No extension has exceeded 3 years and there have been extensions for 1 and 2 years.

A 1-year extension was enacted last year during the 1st session of this Congress (Public Law 215, 83d Cong., 1st sess.). That 1-year extension was intended as an interim measure designed to maintain the status quo pending completion of a thorough study of the overall tariff and international trade situation.

A part of this work has been accomplished by the completion of a study and an issuance of a report by the Commission on Foreign Economic Policy on January 25, 1954.

However, the very heavy schedule confronting the committees concerned in the form of a complete overhaul of the tax laws, plus social security, unemployment insurance, and other legislation has

made it impossible to hold the thorough public hearings which would be required for a detailed study of general trade-agreements legislation.

The General Agreement on Tariffs and Trade is to be revamped by State Department negotiation during 1954 and early 1955. The Finance Committee feels assured that Congress will have an opportunity to review the revised organizational provisions of the general agreement during the coming year and a simple 1-year extension, as requested by the President, would permit a continuation of present authority until this revision has been accomplished.

Favorable reports on H. R. 9474 have been received by the Committee on Ways and Means from various Government departments. The texts of those reports follow:

DEPARTMENT OF STATE,
Washington, June 9, 1954.

Hon. DANIEL A. REED,
Chairman, Committee on Ways and Means,
House of Representatives.

DEAR MR. REED: The Department of State gives its unqualified support to H. R. 9474 to extend the Trade Agreements Act for 1 year. The President has emphasized the need, pending full committee and congressional consideration of his proposal for new legislation in this field, for a simple 1-year extension of the existing authority. The Department is in full agreement with this conclusion for a number of reasons.

During the past year when this administration has been reviewing and evaluating all aspects of our foreign economic policies, other countries have postponed economic decisions. Important economic results can flow just from the fact that the Congress does not permit a lapse in this authority pending its full review next year. For example, a number of Western European countries are now seriously considering making their currencies freely convertible into dollars. This would be the biggest move yet taken in the direction of ending the postwar complex of quantitative restrictions and discriminatory trade with resultant benefit for our industry and agriculture seeking markets abroad. It is the firm judgment of the Department that these countries will be encouraged to continue their moves in this direction, by the enactment of this legislation.

An extension of the present authority to negotiate trade agreements will enable the President to move forward to improve Japan's trading prospects in the world, an essential element to stability in the whole Far Eastern situation.

The Department hopes that the proposed action can be taken by the committee and the Congress to assure that there is no lapse in this trade-agreement authority.

Sincerely yours,

THRUSTON B. MORTON,
Assistant Secretary
(For the Secretary of State).

TREASURY DEPARTMENT,
Washington, June 9, 1954.

Hon. DANIEL A. REED,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: Reference is made to an oral request from the Committee on Ways and Means for the views of this Department on H. R. 9474, a bill which would extend for 1 year from June 12, 1954, the President's authority to enter into reciprocal trade agreements under section 350 of the Tariff Act of 1930, as amended.

This Department recommends favorable action on this bill.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Very truly yours,

H. CHAPMAN ROSE,
Acting Secretary of the Treasury.

THE SECRETARY OF COMMERCE,
Washington, June 8, 1954.

HON. DANIEL A. REED,
Chairman, Committee on Wage and Means,
House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: I should like to advise your committee that I favor the passage of H. R. 9474, which extends the Trade Agreements Act (19 U. S. C. 1351) for 1 year from June 12, 1954. I believe this extension to be desirable in order to permit Congress, and indeed the American people, to have sufficient time adequately to consider and debate H. R. 8860 which is now before your committee.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., June 9, 1954.

HON. DANIEL REED,
Chairman, House Ways and Means Committee,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN REED: In response to the telephone conversation from your office, I wish to advise you that the Department of Agriculture supports the renewal of an extension of the reciprocal-trade-agreements program, whereby the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended, for a period of 1 year from June 12, 1954.

This Department believes that an extension of this program will be beneficial for American agriculture.

Sincerely yours,

E. T. BENSON, Secretary.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C. June 9, 1954.

MY DEAR MR. REED: You have requested an expression of the views of this Department on H. R. 9474, a bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

This Department has no objection to the enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report to your committee.

Sincerely yours,

RALPH A. TUDOR,
Under Secretary of the Interior.

UNITED STATES TARIFF COMMISSION,
June 8, 1954.

HON. DANIEL A. REED,
Chairman, Committee on Ways and Means,
House of Representatives.

DEAR MR. CHAIRMAN: Pursuant to your request, the Commission is reporting on the bill introduced June 8, 1954, H. R. 9474, 83d Congress, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

The bill, if enacted, would extend the authority of the President to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended, for a further period of 1 year from June 12, 1954. The existing authority for the President to enter into trade agreements under section 350 will expire on June 12, 1954, and after that date the President will have no authority to enter into foreign trade agreements pursuant to section 350 unless legislation extending that authority is enacted.

Section 350 was added to the Tariff Act of 1930 by section 1 of the act of June 12, 1934, and authorizes the President to enter into foreign trade agreements with foreign governments or instrumentalities thereof, and to proclaim under specified limitations such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and

for such minimum periods, of existing customs or excise treatment of any article covered by such agreements, as are required or appropriate to carry out any such agreements.

Section 350 itself contains no limitation on the time within which the President is authorized to enter into foreign trade agreements. However, subparagraph (c) of section 2 of the act of June 12, 1934, limited the authority of the President to enter into foreign trade agreements pursuant to section 350 to a period of 3 years from June 12, 1934. Since that time the President's authority to enter into foreign trade agreements pursuant to section 350 has been extended from time to time by Congress, for periods varying from 1 to 3 years.

Because of the confusion usually present in connection with proposals to extend the President's authority to enter into foreign trade agreements, it might be pointed out that the so-called peril point provisions and escape clause provisions are not a part of the act of June 12, 1934 (usually referred to as the Trade Agreements Act of 1934) but are incorporated in the Trade Agreements Extension Act of 1951, as amended. These provisions will not expire if the President's authority to enter into foreign trade agreements is not extended, although the peril point provision which relates to the negotiation of new trade agreements would presumably be inoperative if the negotiation of new trade agreements is not authorized. The escape clause provisions would continue to be operative so long as any existing trade agreements containing escape clauses remain in force.

Sincerely yours,

JOSEPH E. TALBOT, *Acting Chairman.*



83^D CONGRESS
2^D SESSION

H. R. 9474

[Report No. 1605]

IN THE SENATE OF THE UNITED STATES

JUNE 14 (legislative day, JUNE 11), 1954

Read twice and referred to the Committee on Finance

JUNE 16 (legislative day, JUNE 11), 1954

Reported by Mr. MILLIKIN, without amendment

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the period during which the President is authorized to
4 enter into foreign-trade agreements under section 350 of the
5 Tariff Act of 1930, as amended and extended (19 U. S. C.,
6 sec. 1351), is hereby extended for a further period of one
7 year from June 12, 1954.

Passed the House of Representatives June 11, 1954.

Attest:

LYLE O. SNADER,

Clerk.

AN ACT

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

JUNE 14 (legislative day, JUNE 11), 1954

Read twice and referred to the Committee on Finance

JUNE 16 (legislative day, JUNE 11), 1954

Reported without amendment

Calendar No. 1613

83^D CONGRESS
2^D SESSION

H. R. 9474

IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 11), 1954

Ordered to lie on the table and to be printed

AMENDMENTS

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. GORE (for himself, Mr. MON-
RONEY, Mr. HOLLAND, Mr. HILL, Mr. SPARKMAN, Mr.
KEFAUVER, Mr. MURRAY, Mr. MANSFIELD, Mr. LEHMAN,
Mr. JOHNSTON of South Carolina, Mr. DOUGLAS, Mr.
BURKE, Mr. STENNIS, Mr. GREEN, Mr. HUMPHREY, Mr.
MORSE, Mr. MAGNUSON, Mr. FULBRIGHT, Mr. JACKSON,
Mr. HENNINGS, Mr. ANDERSON, Mr. SYMINGTON, and Mr.
McCLELLAN) to the bill (H. R. 9474) to extend the author-
ity of the President to enter into trade agreements under
section 350 of the Tariff Act of 1930, as amended, viz:
Strike out all after the enacting clause and insert in lieu
thereof the following:

1 That this Act may be cited as the "Trade Agreements
2 Extension Act of 1954".

3 SEC. 2. The period during which the President is author-
4 ized to enter into foreign-trade agreements under section

1 350 of the Tariff Act of 1930, as amended and extended
2 (19 U. S. C., sec. 1351), is hereby extended for a further
3 period of three years from June 12, 1954.

4 SEC. 3. Section 350 of the Tariff Act of 1930, as
5 amended (19 U. S. C., 1351), is hereby further amended
6 as follows:

7 (1) Subsection (a) is amended to read:

8 “(a) (1) For the purpose of expanding foreign markets
9 for the products of the United States (as a means of assist-
10 ing in establishing and maintaining a better relationship
11 among various branches of American agriculture, industry,
12 mining and commerce) by regulating the admission of for-
13 eign goods into the United States in accordance with the
14 characteristics and needs of various branches of American
15 production so that foreign markets will be made available
16 to those branches of American production which require and
17 are capable of developing such outlets by affording corre-
18 sponding market opportunities for foreign products in the
19 United States, the President, whenever he finds as a fact
20 that any existing duties or other import restrictions of the
21 United States or any foreign country are unduly burdening
22 and restricting the foreign trade of the United States and
23 that the purpose above declared will be promoted by the
24 means hereinafter specified, is authorized from time to time—

25 “(A) to enter into foreign trade agreements with

foreign governments or instrumentalities thereof containing provisions with respect to international trade, including provisions relating to tariffs, to most-favored-nation and other standards of nondiscriminatory treatment affecting such trade, to quantitative import and export restrictions, to customs formalities, and to other matters relating to such trade designed to promote the purpose of this Act similar to any of the foregoing: *Provided*, That such provisions are not inconsistent with existing legislation of the United States; and

“(B) to proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

“(2) No proclamation pursuant to paragraph (1) (B) of this subsection shall be made (i) increasing the rate of duty applicable to any article to a rate more than 50 per centum above the rate applicable to such article existing on January 1, 1945; (ii) transferring any article between the dutiable and free lists; (iii) decreasing the rate of duty applicable to any article to a rate more than 50 per centum below the rate applicable to such article existing on January

1 1, 1945, in order to carry out a foreign trade agreement en-
2 tered into by the President prior to June 12, 1954; or (iv)
3 decreasing the rate of duty applicable to any article by more
4 than the limit set forth in any one of the following three alter-
5 natives (subject to any other qualification applicable to that
6 alternative), in order to carry out a foreign trade agreement
7 entered into by the President on or after June 12, 1954:

8 “(I) Decreasing to a rate 15 per centum below
9 the rate existing on January 1, 1954;

10 “(II) Decreasing to a rate 50 per centum
11 below the rate existing on January 1, 1945, in the case
12 of any article which the President determines, on the
13 basis of information provided by the Tariff Commission,
14 is not being imported into the United States or is being
15 imported in negligible quantities: *Provided*, That the
16 foregoing qualifications relative to import quantities
17 shall not apply to decreases, proclaimed to carry out a
18 trade agreement to which the Government of Japan is
19 a party, which the President determines are necessary
20 in order to provide expanding export markets for prod-
21 ucts of Japan, including such markets in third coun-
22 tries; or

23 “(III) Decreasing to a rate of 50 per centum ad
24 valorem (or to a combination of ad valorem rates aggre-
25 gating 50 per centum), in the case of any article the

duty applicable to which is an ad valorem rate above 50 per centum (or is a combination of ad valorem rates aggregating above 50 per centum) ; or decreasing to a rate of 50 per centum ad valorem or to a rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined by the President on the basis of available information would have been 50 per centum during a representative period, in the case of any article the duty applicable to which is a specific rate (or combination of rates including a specific rate) the ad valorem equivalent of which has been so determined to have been above 50 per centum during such period. The valuation provisions of subsections (a) (1) to (3), and (c) to (f) of section 402 of the Tariff Act of 1930, as amended, shall be utilized by the President in making determinations for the purpose of applying this alternative, except that, in any case in which subsections (a) (4) and (g) of section 402 are being applied for the valuation of an article, such latter subsections shall be utilized in making the determinations with respect to that article.

“(3) (A) Subject to the provisions of subparagraphs (B) and (C) of this paragraph, the proclaimed duties and other import restrictions shall be in effect from and after

1 such time as is specified in the proclamation. The President
2 may at any time terminate any such proclamation in whole
3 or in part.

4 “(B) No more than one-third of the maximum de-
5 crease permissible under alternative (I) of paragraph (2)
6 (iv) of this subsection shall become initially effective at
7 one time, nor until any previous part of such decrease shall
8 have been in effect for not less than one year. No part of
9 a decrease to which alternative (I) is applicable shall be-
10 come initially effective after June 12, 1957.

11 “(C) No more than one-third of any decrease in duty
12 to which alternative (II) or (III) of paragraph (2) (iv)
13 of this subsection is applicable shall become initially effective
14 at one time, nor until any previous part of such decrease
15 shall have been in effect for not less than one year.

16 “(D) If the President determines that such action
17 would simplify the statement of the rate of duty to be pro-
18 claimed for any article the duty applicable to which is
19 being decreased subject to one of the limitations set forth
20 in this paragraph or in paragraph (2) (iv) of this sub-
21 section, he is authorized to round out such rate: *Provided,*
22 That in so doing he does not decrease the duty applicable
23 to such article by more than one-half of 1 per centum
24 ad valorem in addition to the decrease permitted by such
25 limitation. In the case of a specific rate, or of a combination

1 of rates including a specific rate, the one-half of 1 per centum
2 shall be determined in the manner provided in alternative
3 (III) of paragraph (2) (iv) of this subsection for ascer-
4 taining the ad valorem effect of rates not stated in such
5 terms.

6 “(4) In exercising his authority under this section, the
7 President shall avoid the subdivision of classification cate-
8 gories which might give rise to confusion or controversy,
9 whenever this may be done consistently with the purposes of
10 the trade agreements legislation.

11 “(5) The proclaimed duties and other import restrictions
12 shall apply to articles the growth, produce, or manufacture
13 of all foreign countries, whether imported directly, or indi-
14 rectly: *Provided*, That the President may suspend the ap-
15 plication to articles the growth, produce, or manufacture of
16 any country because of its discriminatory treatment of Ameri-
17 can commerce or because of other acts (including the opera-
18 tions of international cartels) or policies which in his opinion
19 tend to defeat the purposes set forth in this section.”

20 (2) Subsection (b) of the said section 350 is amended
21 by (i) deleting the word “exclusive” from before the word
22 “agreement” in the first sentence; (ii) inserting the word
23 “exclusive” before the words “preferential custom treatment”
24 in the first sentence; and (iii) amending the last sentence
25 to read as follows: “No rate of duty on products of Cuba

1 shall in any case be decreased (1) to a rate more than 50
2 per centum below the rate applicable to such products exist-
3 ing on January 1, 1945, in order to carry out a foreign trade
4 agreement entered into by the President prior to June 12,
5 1954, or (2) by more than the limits set forth in any one of
6 the three alternatives provided for in subsection (a) (2)
7 (iv) and in subsection (a) (3) (D) (subject to any other
8 qualification applicable to that alternative, and subject to the
9 provisions of subsection (a) (3) (B) and (C)), in order
10 to carry out a foreign trade agreement entered into by the
11 President on or after June 12, 1954.”

12 (3) Subsection (c) of the said section 350 is amended
13 (i) by designating the matter now therein as paragraph
14 (1), and (ii) by adding thereafter a new paragraph to
15 read:

16 “(2) Except as is otherwise provided in subsection
17 (d), the terms ‘existing on January 1, 1945’ and ‘existing
18 on January 1, 1954’ as used in this section mean existing
19 on the date specified, however established, and even though
20 temporarily suspended by Act of Congress. The term ‘ex-
21 isting’ without the specification of any date, when used in
22 this section with respect to any matter relating to the con-
23 clusion of or proclamation to carry out a trade agreement,
24 means existing on the day on which that trade agreement
25 is entered into.”

1 (4) At the end of the said section 350 a new sub-
2 section is added to read:

3 “(e) The President shall submit to Congress an annual
4 report on the operation of the trade agreements program, in-
5 cluding information regarding new negotiations, modifica-
6 tions made in duties and import restrictions of the United
7 States, reciprocal concessions obtained, modifications of exist-
8 ing trade agreements in order to effectuate more fully the
9 purposes of the trade agreements legislation (including the
10 incorporation therein of escape clauses), and other informa-
11 tion relating to that program and to the agreements entered
12 into thereunder.”

13 SEC. 4. Subsection (b) of section 6 of the Trade Agree-
14 ments Extension Act of 1951, as amended (19 U. S. C. 1363
15 (b)) is hereby further amended by deleting the second
16 sentence thereof.

17 SEC. 5. Subject to compliance with the applicable statu-
18 tory procedures and limitations relative to the conclusion
19 and proclamation of foreign trade agreements, the President
20 is authorized to proclaim decreases in rates of duty not below
21 the limit set forth in alternative (II) (exclusive of the
22 proviso thereto) provided for in subsection (a) (2) (iv)
23 of section 350 of the Tariff Act of 1930, as amended, if
24 he finds as a fact that the purpose of that section will be
25 promoted thereby, notwithstanding that such proclamation

1 is not required or appropriate to carry out any trade agree-
2 ment which he has entered into under section 350. The
3 applicable statutory provisions relative to the carrying out,
4 modification, and termination of foreign trade agreements and
5 proclamations thereof shall apply to proclamations issued
6 pursuant to this section and to decreases in rates contained
7 therein as though such proclamations had been issued to
8 carry out foreign trade agreements and the decreases were
9 concessions granted under such agreements. The period or
10 periods during which the President is authorized to issue
11 proclamations under this section shall be the same as the
12 period or periods during which he is authorized to enter
13 into foreign trade agreements under section 350.

Amend the title so as to read: "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, to increase the effectiveness of the trade agreements program, and for other purposes."

AMENDMENTS

(IN THE NATURE OF A SUBSTITUTE)

Intended to be proposed by Mr. Gore (for himself, Mr. MONROE, Mr. HOLLAND, Mr. HILL, Mr. SPARKMAN, Mr. KEFAUVER, Mr. MURRAY, Mr. MANSTFIELD, Mr. LENDMAN, Mr. JOHNSTON of South Carolina, Mr. DOUGLAS, Mr. BURKE, Mr. STENNIS, Mr. GREEN, Mr. HUMPHREY, Mr. MORSE, Mr. MAGNUSON, Mr. FULBRIGHT, Mr. JACKSON, Mr. HENNING, Mr. ANDERSON, Mr. SYMINGTON, and Mr. McCLELLAN) to the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

JUNE 17 (legislative day, JUNE 11), 1954

Ordered to lie on the table and to be printed

SENATE

16. FARM PROGRAM. The "Daily Digest" states: "Committee on Agriculture and Forestry" Continued executive consideration of S. 3052, to encourage a stable, prosperous, and free agriculture, following which it announced that it had tentatively agreed to: (1) Permit continuation of marketing orders even though prices rise above parity; (2) Extend marketing order authority to fruits and vegetables for canning and freezing if 50 percent of the processors in number and volume assent -- and that the processors be represented in the administering agency; (3) Permit inclusion in marketing agreements and orders of terms providing for fixing sizes of standard containers, and also terms providing for marketing research; (4) Extend the Secretary of Agriculture's authority to make soil conservation payments; (5) Preserve the county committee system after placing the soil conservation payment program on a grant-in-aid basis to the States; and (6) Make permissive, rather than mandatory, the Secretary of Agriculture's authority to fix fair prices for conservation materials and services furnished under the ACP program." (p. D714.)
17. SOIL CONSERVATION. Passed as reported H. R. 6788, to authorize the Secretary of Agriculture to cooperate with States and local agencies in planning and carrying out works of improvement for soil conservation (pp. 8166-71). The committee report was printed in the Record. For provisions of this bill as reported, see Digest 114.
18. TAXATION. The Finance Committee reported with amendments (June 18) H. R. 8300, the tax revision bill (S. Rept. 1622)(pp. 8103-4).
19. LABOR-HEW APPROPRIATION BILL, 1955. The Appropriations Committee reported with amendments this bill, H. R. 9447 (S. Rept. 1623)(p. 8106).
20. TRADE AGREEMENTS. Began debate on H. R. 9474, to extend until June 12, 1955, the President's authority to enter into reciprocal trade agreements (pp. 8144-52, 8158-63, 8165-6, 8182-5).
21. PERSONNEL. The "Daily Digest" states: "Committee on Post Office and Civil Service...ordered favorably reported with amendments S. 3507, authorizing the Civil Service Commission to make available group life insurance for civilian officers and employees in the Federal Service. The primary amendments adopted by the committee are: (1) To exclude certain corporations of the Farm Credit Administration; (2) to define types of employees which the Commission might exclude by regulation and prohibit exclusions because of the hazardous nature of employment; (3) include in the bill a schedule of dismemberment benefits; (4) discontinue payment of premiums by employee at age 65; (5) to extend insurance without cost to employees retired for disability; (6) to eliminate the requirement that a reinsuring company must have contracts with at least 25 different employers; (7) to permit fraternal associations, licensed to write life insurance and doing so exclusively on the lives of Federal employees, to participate in the reinsurance program; (8) to specifically authorize reinsurance of liabilities assumed on behalf of retired and separated members of employee beneficial associations; (9) to direct the Chairman of the Commission to appoint a Committee of 5 employees to advise the Commission, this Committee of 5 to select 1 of its own members as Chairman; and (10) to specify that district courts of the United States concurrent with Court of Claims shall have original jurisdiction of any claim under this act." (p. D716.)
22. RECLAMATION. Passed as reported S. J. Res. 165, to authorize the Glendo unit, Wyo., Missouri Basin project (p. 8138).

23. **BANKING AND CURRENCY.** The Banking and Currency Committee reported without amendment S. 3589, to provide for independent management of the Export-Import Bank under a Board of Directors, to provide for representation of the Bank on the National Advisory Council on International Monetary and Financial Problems, and to increase the Bank's lending authority (S. Rept. 1624) (p. 8106).
24. **EDUCATION.** The Labor and Public Welfare Committee reported with amendment S. 2759, to promote and assist in the extension and improvement of vocational rehabilitation services (S. Rept. 1626) (p. 8106).
25. **HEALTH FACILITIES.** Passed with amendments H. R. 8149, to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, etc., and to provide assistance in the construction of such facilities (pp. 8125-38).
26. **MINERALS; PUBLIC LANDS.** Discussed, and passed over at Sen. Morse's request, H. R. 3915, to permit the mining, development, and utilization of the mineral resources of all public lands withdrawn or reserved for power development (pp. 8119-20).
27. **ELECTRIFICATION.** Sen. Kefauver discussed with others and criticized the administration's power policy and stated that "it is in line with the general antagonism of the administration against public power, the REA, and the effort to develop the resources of the Nation through the public power agencies... (pp. 8176-82).
28. **LEGISLATIVE PROGRAM.** Sen. Knowland announced that, following the trade agreements bill, it is planned to consider several bills not affecting this Department, the Indian extension work bill, the Labor-HEW appropriation bill, the tax revision bill, and the watershed bill. He announced an intention that the Senate begin night sessions and meet on Saturdays. He expressed a hope for a sine die adjournment July 31 and said, "I see no reason why we cannot hit the target date." (pp. 8116-7, 8144).

BILLS INTRODUCED

29. **PRICES.** S. 3646, by Sen. Capehart, to define the application of the Clayton and Federal Trade Commission Acts to certain pricing practices; to Judiciary Committee (p. 8107). Remarks of author (pp. 8107-8.)
30. **WATER CONSERVATION.** S. 3647, by Sen. Johnson, Tex., to provide for modification of certain works of improvement authorized on Gaudalupe River, Tex., by the act of March 2, 1945; to Public Works Committee (p. 8107). Remarks of author (p. 8108.)
31. **FOREIGN TRADE.** S. 3650, by Sen. Kennedy, and H. R. 9562, by Rep. Williams, N. J., to provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the U. S.; to Finance Committee (p. 8107). Remarks of Senator Kennedy (pp. 8171-6).
32. **EDUCATION.** H. R. 9640, by Rep. McConnell, to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act; to Education and Labor Committee (p. 8241).

Calendar No. 1613

83^D CONGRESS
2^D SESSION

H. R. 9474

IN THE SENATE OF THE UNITED STATES

JUNE 22, 1954

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. MUNDT (for himself, Mr. BARRETT, Mr. MALONE, Mr. McCARRAN, Mr. DWORSHAK, Mr. YOUNG, Mr. BUTLER of Nebraska, Mr. STENNIS, Mr. MCCARTHY, Mr. JOHNSON of Colorado, Mr. MAGNUSON, Mr. WATKINS, Mr. GOLDWATER, and Mr. MURRAY) to the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, viz: On page 1, add the following section 2:

1 SEC. 2. Section 8 of the Trade Agreements Extension
2 Act of 1951 (Public Law 50, Eighty-second Congress, first
3 session) is hereby amended by adding a new subsection (c)
4 at the end thereof, reading as follows:

5 “(c) Subsections (a) and (b) of section 22 of the
6 Agriculture Adjustment Act, as amended (U. S. C., title 7,
7 sec. 624) , are hereby amended to read as follows:

1 “SEC. 22. (a) Whenever any article or articles are
2 being or are practically certain to be imported into the United
3 States under such conditions and in such quantities as to ren-
4 der or tend to render ineffective, or materially interfere with
5 the national objective of achieving full parity prices for agri-
6 cultural commodities, or products thereof, in the domestic
7 market place, or any program or operation undertaken
8 under this title or the Soil Conservation and Domestic Allot-
9 ment Act, as amended, or section 32, Public Law 320, Sev-
10 enty-fourth Congress, approved August 24, 1935, as
11 amended, or any loan, purchase, or other program or opera-
12 tion undertaken by the Department of Agriculture, or any
13 agency operating under its direction with respect to any agri-
14 cultural commodity or product thereof, or to reduce substan-
15 tially the amount of any product processed in the United
16 States from any agricultural commodity or product thereof
17 with respect to which any such program or operation is being
18 undertaken, the Secretary of Agriculture shall, and any in-
19 terested party may, petition the United States Tariff Com-
20 mission to make an immediate investigation. Upon receipt
21 of any such petition an immediate investigation shall be made
22 by the United States Tariff Commission, which shall give
23 precedence to investigations under this section to determine
24 such facts. Such investigations shall be made after due notice
25 and opportunity for hearing to interested parties, and shall

1 be conducted subject to such regulations as the Tariff Com-
2 mission shall specify. The Tariff Commission shall make and
3 publish its report to the President at the earliest possible date,
4 but in no event more than six months after the day on which
5 a petition for investigation was filed.

6 “ ‘(b) If, on the basis of such investigation, the Tariff
7 Commission finds and reports to the President the existence
8 of such facts, he shall, within thirty days by proclamation
9 impose such fees not in excess of 50 per centum ad valorem
10 or such quantitative limitations on any article or articles
11 which may be entered, or withdrawn from warehouse, for
12 consumption as the Tariff Commission has found and de-
13 clared in its report to be necessary in order that the entry of
14 such article or articles will not render or tend to render
15 ineffective, or materially interfere with the national objective
16 of achieving full parity prices for agricultural commodities,
17 or products thereof, in the domestic market place, or any
18 program or operation referred to in subsection (a) of this
19 section, or reduce substantially the amount of any product
20 processed in the United States from any such agricultural
21 commodity or product thereof with respect to which any
22 such program or operation is being undertaken: *Provided*,
23 That no proclamation under this section shall impose any
24 limitation on the total quantity of any article or articles
25 which may be entered, or withdrawn from warehouse, for

1 consumption which reduces such permissible total quantity
2 to proportionately less than 50 per centum of the total
3 quantity of such article or articles which was entered, or
4 withdrawn from warehouse, for consumption during a repre-
5 sentative period as determined by the Tariff Commission:
6 *And provided further,* That is designating any article or
7 articles, the Tariff Commission may describe them by physi-
8 cal qualities, value, or use, or upon such other basis as it
9 shall determine.' ”

AMENDMENT

Intended to be proposed by Mr. MUNDY (for himself, Mr. BARRETT, Mr. MALONE, Mr. MCCARRAN, Mr. DWORKSHAK, Mr. YOUNG, Mr. BUTLER of Nebraska, Mr. STENNIS, Mr. MCCARTHY, Mr. JOHNSON of Colorado, Mr. MAGNUSON, Mr. WATKINS, Mr. GOLDWATER, and Mr. MURRAY) to the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

JUNE 22, 1954

Ordered to lie on the table and to be printed

(d) seek and secure commitments from participating countries that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of surplus agricultural commodities purchased under this act, without specific approval of the President; and

(e) afford any friendly nation the maximum opportunity to purchase surplus agricultural commodities from the United States, taking into consideration the opportunities to achieve the declared policy of this act and to make effective use of the foreign currencies received to carry out the purposes of this act.

SEC. 102. (a) For the purpose of carrying out agreements concluded by the President hereunder, the Commodity Credit Corporation, in accordance with directions of the President, (1) shall make available for sale hereunder at such points in the United States as the President may direct surplus agricultural commodities heretofore or hereafter acquired by the Corporation in the administration of its price-support operations, and (2) shall make funds available to finance the sale and exportation of surplus agricultural commodities other than those commodities which the Commodity Credit Corporation is in a position to supply from its own inventories, and (3) shall certify the selling price thereof in dollars.

(b) In order to facilitate and maximize the use of private channels of trade in carrying out agreements entered into pursuant to this act, the President may, under such regulations and subject to such safeguards as he deems appropriate, provide for the issuance of letters of commitment against funds or guaranties of funds supplied by the Commodity Credit Corporation and for this purpose accounts may be established on the books of any department, agency, or establishment of the Government, or on terms and conditions approved by the Secretary of the Treasury in banking institutions in the United States. Such letters of commitment, when issued, shall constitute obligations of the United States and moneys due or to become due thereunder shall be assignable under the Assignment of Claims Act of 1940. Expenditures of funds which have been made available through accounts so established shall be accounted for on standard documentation required for expenditures of Government funds.

SEC. 103. (a) For the purpose of making payment to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under section 105 for commodities disposed of and costs incurred under titles I and II of this act, there are hereby authorized to be appropriated such sums as are equal to (1) the Corporation's investment in commodities made available for export under this title and title II of this act, including processing, packaging, transportation, and handling costs, and (2) all costs incurred by the Corporation in making funds available to finance the exportation of surplus agricultural commodities pursuant to this title. Any funds or other assets available to the Commodity Credit Corporation may be used in advance of such appropriation or payments, for carrying out the purposes of this act.

(b) Transactions shall not be carried out under this title which will call for appropriations to reimburse the Commodity Credit Corporation, pursuant to subsection (a) of this section, in amounts in excess of \$1 billion.

SEC. 104. Notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law, the President may use or enter into agreements with friendly nations or organizations of nations to use the foreign currencies which accrue

under this title for the purposes set forth in section 2 of this act, including one or more of the following purposes:

(a) To help develop new markets for United States agricultural commodities on a mutually benefiting basis;

(b) To purchase or contract to purchase strategic and critical materials within the applicable terms of the Strategic and Critical Materials Stockpile Act, for a supplemental United States stockpile of such materials under contracts, including advance payment contracts, for supply extending over periods up to 10 years. All strategic and critical materials acquired under authority of this title shall be placed in the above-named supplemental stockpile and may be additional to the amounts acquired under authority of the Strategic and Critical Materials Stockpile Act. Materials so acquired shall be released from the supplemental stockpile only under the provisions of section 3 of the Strategic and Critical Materials Stockpile Act;

(c) To procure military equipment, materials, facilities, and services for the common defense;

(d) For financing the purchase of goods or services for other friendly countries;

(e) For promoting balanced economic development and trade among nations;

(f) To pay United States obligations abroad;

(g) For loans to promote multilateral trade and economic development, made through established banking facilities of the friendly nation from which the foreign currency was obtained or in any other manner which the President may deem to be appropriate. Strategic materials, services, or foreign currencies may be accepted in payment of such loans;

(h) For the financing of international educational exchange activities under the programs authorized by section 32 (b) (2) of the Surplus Property Act of 1944, as amended (50 U. S. C. App. 1641 (b)):

Provided, however, That section 1415 of the Supplemental Appropriation Act, 1953, shall apply to not less than 10 percent of the foreign currencies which accrue under this title: *Provided, however,* That the President is authorized to waive such applicability of section 1415 in any case where he determines that it would be inappropriate or inconsistent with the purposes of this title.

SEC. 105. Foreign currencies received pursuant to this title shall be deposited in a special account to the credit of the United States and shall be used only pursuant to section 104 of this title, and any department or agency of the Government using any of such currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

SEC. 106. As used in this act, "surplus agricultural commodity" shall mean any agricultural commodity or product thereof, class, kind, type, or other specification thereof, produced in the United States, either privately or publicly owned, which is in excess of domestic requirements, adequate carry-over, and anticipated exports for dollars, as determined by the Secretary of Agriculture.

SEC. 107. As used in this act, "friendly nation" means any country other than (1) the U. S. S. R., or (2) any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 108. The President shall make a report to Congress with respect to the activities carried on under this act at least once each 6 months and at such other times as may be appropriate.

SEC. 109. No transactions shall be undertaken under authority of this title after June

30, 1957, except as required pursuant to agreements theretofore entered into pursuant to this title.

TITLE II—FAMINE RELIEF AND OTHER ASSISTANCE

SEC. 201. In order to enable the President to furnish emergency assistance on behalf of the people of the United States to friendly peoples in meeting famine or other urgent relief requirements, the Commodity Credit Corporation shall make available to the President out of its stocks such surplus agriculture commodities (as defined in sec. 106 of title I) f. o. b. vessels in United States ports, as he may request, for transfer (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation, and (2) to friendly but needy populations without regard to the friendliness of their government.

SEC. 202. The President may authorize the transfer on a grant basis of surplus agricultural commodities from Commodity Credit Corporation stocks to assist programs undertaken with friendly governments or through voluntary relief agencies.

SEC. 203. Not more than \$100 million worth of surplus agricultural commodities from Commodity Credit Corporation stocks may be used by the President without regard to the requirements of this title or of the Mutual Defense Assistance Control Act of 1951, when the President deems that such use is important to the foreign policy objectives of the United States.

SEC. 204. Not more than \$300 million (including the Corporation's investment in the commodities) shall be expended for all transfers, including delivery on board vessels in United States ports, under this title. The President may make such transfers through such agencies including intergovernmental organizations, in such manner, and upon such terms and conditions as he deems appropriate; he shall make use of the facilities of voluntary relief agencies to the extent practicable.

SEC. 205. No programs of assistance shall be undertaken under the authority of this title after June 30, 1957.

TITLE III—GENERAL PROVISIONS

SEC. 301. Section 407 of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing, the Corporation shall make available to the President any farm commodity owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic cause if the President finds that such use will not displace or interfere with normal marketing of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855). The responsibility of the Corporation in connection with the use of such commodities shall be limited to delivery of the commodities to designated agencies at one or more central locations in each State, except that facilities and funds of the Corporation may be utilized for the processing or packaging of such commodities on a reimbursable basis."

SEC. 302. Section 416 of the Agricultural Act of 1949 is amended to read as follows:

"SEC. 416. In order to prevent the waste of commodities acquired through price-support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price-support program or sold abroad at competitive world prices, the Commodity Credit Corporation is authorized, on such terms and under such regulations as the Secretary may deem in the public

interest: (1) upon application, to make such commodities available to any Federal agency for use in making payment for commodities not produced in the United States; (2) to barter or exchange such commodities for strategic defense materials as provided by law; (3) to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary, for use in nonprofit school-lunch programs, in the assistance of needy persons, in State or Federal penal and corrective institutions, and in publicly owned hospitals; (4) to donate any such commodities in excess of anticipated disposition under (1), (2), and (3) above to nonprofit voluntary agencies registered with the Committee on Voluntary Foreign Aid of the Foreign Operations Administration or other appropriate department or agency of the Federal Government and intergovernmental organizations for use in the assistance of needy persons outside the United States. In the case of (3) and (4) above the Secretary shall obtain such assurance as he deems necessary that commodities disposed of thereunder will be in addition to and not in substitution for any normal consumption. In order to facilitate the appropriate disposal of such commodities, the Secretary may from time to time estimate and announce the quantity of such commodities which he anticipates will become available for distribution under (3) and (4) above. The Commodity Credit Corporation may pay, with respect to commodities disposed of under this section, reprocessing, packaging, transporting, handling, and other charges accruing up to the time of their delivery to a Federal agency or to the designated State or private agency, in the case of commodities made available for use within the United States, or their delivery free alongside ship or free on board export carrier at point of export, in the case of commodities made available for use outside the United States. For the purpose of this section the terms 'State' and 'United States' include the District of Columbia and any Territory or possession of the United States."

SEC. 303. The second paragraph of the act of June 28, 1937 (50 Stat. 323), as amended, is hereby amended by adding before the period at the end thereof the following words "and for use in such State penal and corrective institutions as the Secretary may approve."

SEC. 304. Whenever the Secretary has reason to believe that, in addition to other authorized methods and means of disposing of agricultural commodities owned by the Commodity Credit Corporation, there may be opportunity to protect the funds and assets of the Commodity Credit Corporation by barter or exchange of such agricultural commodities for strategic materials entailing less risk of loss through deterioration or substantially less storage charges, he is hereby directed to use every practicable means to assist other Government agencies and private trade channels in arranging and making such barter or exchanges or to utilize the authority conferred on him by section 104 (h) of the Commodity Credit Corporation Charter Act to make such barter or exchanges. Strategic materials so acquired by the Commodity Credit Corporation shall be considered as assets of the Corporation and other agencies of the Government, in purchasing strategic materials, shall purchase such materials from Commodity Credit Corporation inventories to the extent available in fulfillment of their requirements. The Secretary is also directed to assist, through such means as are available to him, farmers' cooperatives in effecting exchange of agricultural commodities in their possession for strategic materials.

SEC. 305. Notwithstanding the provisions of title I and II of this act, the President shall not sell or transfer any surplus agricultural commodity to any nation unless upon careful investigation he determines (1) that the sale or transfer of such commodity to such nation will not enable such nation to export some commodity or product to the U. S. S. R., or to any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement, or (2) the sale or transfer of such commodity will not create, maintain, increase, or stimulate trade between such nation to whom the sale or transfer will be made and the U. S. S. R., or any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

SEC. 306. All Commodity Credit Corporation stocks disposed of under title II of this act and section 416 of the Agricultural Act of 1949, as amended, shall be clearly identified by, as far as practical, appropriate marking on each package or container as being furnished by the people of the United States of America.

And to amend the title so as to read: "An act to increase the consumption of United States agricultural commodities in foreign countries, and for other purposes."

Mr. AIKEN. Mr. President, I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. AIKEN, Mr. YOUNG, Mr. THYE, Mr. HICKENLOOPER, Mr. SCHOEPPPEL, Mr. ELLENDER, Mr. JOHNSTON of South Carolina, Mr. HOLLAND, and Mr. ANDERSON conferees on the part of the Senate.

EXTENSION AND IMPROVEMENT OF VOCATIONAL REHABILITATION SERVICES—REPORT OF A COMMITTEE

Mr. PURTELL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with an amendment, the bill (S. 2759) to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act and for other purposes, and I submit a report (No. 1626) thereon.

As in the case of House bill 8149, amending the Hospital Survey and Construction Act, which was passed by the Senate today, this bill also embodies an important part of President Eisenhower's health program. S. 2759 was unanimously ordered to be reported by the committee, and I wish again to thank my committee colleagues on the other side of the aisle who have been so helpful in making this unanimous report possible.

The Senator from New York [Mr. LEHMAN] wishes to offer supplemental views. I ask unanimous consent that, when they are received, they be made a part of the report.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar; and, without objection, the supplemental views will be printed as a part of the report.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, I desire to make a statement. I understand that with respect to the bills which I had previously announced might be taken up as special orders upon completion of consideration of the reciprocal-trade bill, or when debate on that bill slackened, Calendar No. 1601, House bill 3413, and Calendar No. 1602, House bill 6154, have passed on the call of the calendar today, so they can be eliminated.

However, I desire to add to the list of bills with respect to which I gave previous notice, Calendar No. 1633, House bill 6788, Calendar No. 1634, House bill 5173, and Calendar No. 1612, Senate bill 2862, the bill which the Senator from Nevada [Mr. McCARRAN] and the Senator from Idaho [Mr. WELKER] were recently discussing.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

Mr. MILLIKIN obtained the floor.

Mr. KNOWLAND. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. MILLIKIN. I yield.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Fulbright	Martin
Anderson	George	McCarran
Beall	Gillette	Millikin
Bennett	Goldwater	Morse
Bowring	Gore	Mundt
Bricker	Green	Murray
Bridges	Hayden	Neely
Burke	Hendrickson	Pastore
Bush	Hickenlooper	Payne
Butler, Md.	Hill	Potter
Butler, Nebr.	Holland	Purtell
Byrd	Humphrey	Robertson
Capehart	Ives	Russell
Carlson	Jackson	Saltonstall
Case	Jenner	Schoeppel
Chavez	Johnson, Tex.	Smathers
Cooper	Johnston, S. C.	Smith, N. J.
Cordon	Kefauver	Sparkman
Daniel	Kennedy	Symington
Dirksen	Kilgore	Thye
Douglas	Knowland	Watkins
Duff	Kuchel	Welker
Dworshak	Langer	Wiley
Eastland	Lehman	Williams
Ervin	Lennon	Young
Ferguson	Long	
Frear	Magnuson	

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). A quorum is present.

Mr. MILLIKIN. Mr. President, the bill which is now before the Senate is H. R. 9474, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act

of 1930, as amended. The bill is very short, and I shall read it:

Be it enacted, etc., That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended for a further period of 1 year from June 12, 1954.

This bill was desired by the House of Representatives. The vote was 281 for it and 53 against it. That action was preceded by action of the Ways and Means Committee, with a vote of 23 for the bill and no votes against it. In the Senate Finance Committee, which has reported the bill to the Senate, all but two members of the committee were in favor of it.

The bill is also desired by the President of the United States. The President received a letter, which is undated in the material which I have before me, but in the President's reply it seems to have been dated May 14. The letter was from Charles H. Percy to the President. It is very short, and I shall read it:

DEAR MR. PRESIDENT: Since the meeting in your office on April 29 with a group of businessmen, for whom I had the honor to act as spokesman, we have found much interest throughout the country in your foreign economic policy proposals that went to the Congress on March 30. We are persuaded that your sound and moderate program represents an essential step toward the achievement of a higher level of trade and investment. We believe, too, that there exists among all segments of the American people strong support for your proposals. It is, of course, not yet articulate to anywhere near its maximum degree. We are confident, however, that careful consideration and discussion will bring forth expression of that support.

We, as citizens interested in this cause, wish to be of assistance in our own communities in encouraging better understanding of the relationship of your program to the welfare of our people and of our friends throughout the free world. It would be very helpful to obtain your views with respect to the course ahead in translating your recommendations into action.

We want you to know, Mr. President, that we stand ready to sustain your leadership in this vital matter in every way we can.

The White House made a press release of the President's reply to Mr. Percy, which is dated May 20, 1954. The President's letter to Mr. Percy is as follows:

DEAR MR. PERCY: It is gratifying to have your letter of May 14 expressing strong support for the foreign economic policy proposals contained in my message to the Congress of March 30. In that message I set forth what I believe to be a minimum essential program for the building of a stronger America as an integral part of a strong and economically vigorous free world. Because I consider the enactment of that program indispensable to the work that this administration must do in the national interest, I have given much thought to the means by which such enactment can best be assured.

As you know, several recommendations in my message on foreign economic policy can be carried out without further legislative authority. Among these are clarification of the application of the buy American legislation, assistance through the International Monetary Fund and the Federal Reserve System to nations which undertake con-

vertibility of their currencies, renegotiation of the organizational provisions of the General Agreement on Tariffs and Trade for submission to the Congress, encouragement to overseas investment through giving full diplomatic support to United States investors abroad and through actions to encourage more extensive travel.

Accomplishing enactment of the heart of the program—extension of and amendment of the Trade Agreements Extension Act of 1951, as amended—would, I believe, best be served by careful and deliberate action taken on the basis of extensive and unhurried hearings. In this way the wide public support for the program that I know exists and to which you attest, will have adequate time and opportunity to express itself. Moreover, those who are opposed would have full opportunity to be heard. It is my hope and expectation that the Committee on Ways and Means, following the pattern of its historic work last year on the tax bill, will initiate consideration of the trade agreements aspect of the program in ample time so that full and adequate hearings may be completed between now and the convening of the Congress next January. Under this procedure the prospect for consideration by the Congress early next year is excellent.

Since the present act expires on June 12, 1954, a simple 1-year extension will, of course be required for the interim period.

In addition to initiating hearings on the vital subject of extension and amendment of the Trade Agreements Extension Act, there is much else that should be accomplished in this session of the Congress to carry into effect the recommendations of my message of March 30. The tax incentives for foreign investment provided for in H. R. 8300 will, I am confident, become law shortly. I look forward to enactment in this session of the increase in the tourist allowance from \$500 to \$1,000 as provided in H. R. 8352, now pending before the House Ways and Means Committee. It is my hope that the Congress will shortly complete action on H. R. 6584, dealing with customs valuation, a bill which has already passed the House and is now pending in the Senate Committee on Finance. Simplification of commodity definitions and rate structures in the Tariff Act based upon a study by the Tariff Commission, and a better method of classifying articles not enumerated in the tariff schedules should be authorized. Improvement in the statutes governing the administration of customs procedures and changes in the anti-dumping law and procedures to speed up its administration should also, I believe, be provided at this session.

Accomplishment of these things now would represent substantial progress in which we all could take satisfaction. With these first steps behind us, the Congress will be in a position early next year to undertake immediate consideration of the vital part of the program—the further amendment and extension of the Trade Agreements Extension Act. This overall program will provide the forward motion in our country essential to progress the world over in raising levels of profitable trade and investment. It is my deep conviction that in this direction lies the greater security for America that comes from a stronger free world.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. President, I send to the desk an amendment, which I ask to have stated.

The LEGISLATIVE CLERK. On page 1, after line 7, it is proposed to insert the following:

The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

Mr. MILLIKIN. This provision is in the present law. The substance of it is contained in several reports of the Senate Committee on Finance, so I do not believe there is anything controversial about it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado.

The amendment was agreed to.

Mr. SYMINGTON. Mr. President, the Senate has before it the question of extending the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

I believe in the reciprocal trade agreement approach to tariff adjustments, and favor the extension of the President's authority in that respect.

But there should be hardheaded bargaining every time representatives of the United States sit down to discuss tariffs with representatives of foreign countries.

No tariff action should be taken unless clear mutual advantage will result from such action, and with our own welfare foremost in the minds of the American negotiators.

Foreign trade must be on a "two-way street" basis.

May I emphasize the harsh realities of the world in which we live—the world in which we trade and do business. At this time we should not take any actions regarding international trade without premising each such action with the question, How does this affect our national defense?

I plan to offer an amendment, which in effect would require testing tariff decreases against defense requirements.

I believe it should be mandatory for the administration to make certain that no tariff should be reduced, whenever such reduction would threaten continued domestic production necessary to meet our projected defense requirements.

I refer to articles identifiable as necessary for national defense.

Mr. FULBRIGHT. Mr. President, I wish to discuss briefly some aspects of the foreign economic policy of the United States.

In his message to the Congress on this subject, on March 30, 1954, the President of the United States defined the scope of his program as consisting of four major parts:

Aid—which we wish to curtail;
Investment—which we wish to encourage;
Convertibility—which we wish to facilitate; and
Trade—which we wish to expand.

I desire to discuss the two aspects of this program which were so aptly encompassed in the expression, "Trade, not aid"; or, the relationship between foreign aid and foreign trade. To put it as the President did in his message:

I consider it essential that we achieve each of these objectives, which we must clearly understand are closely interlocked. As we curtail our aid, we must help to close the dollar gap by expanding our foreign investment and trade. This expansion will be facilitated by a return to convertibility of foreign currencies. The return by our friends abroad to convertibility will be encouraged

if our trade policy leads them to expect expansion of our foreign trade and investment.

Unless we are prepared to adopt the policies I have recommended to expand export and import trade and increase the flow of our capital into foreign investment, our friends abroad may be discouraged in their effort to reestablish a free market for their currencies. If we fail in our trade policy, we may fail in all.

I think that was an excellent statement by the President, and I subscribe to it.

That this policy has failed is apparent to the naked eye. The reasons why it has failed may be less apparent, and I hope to shed some light on those reasons by these remarks.

If my remarks are considered partisan, they are, at least, not so from the standpoint of being addressed in opposition to the announced program of the titular, or nominal head of the Republican Party. Quite the contrary, they are in support of that program.

Why has that program failed? This requires some background.

President Eisenhower's nomination and election were attributed in large measure to the theory that he could lead the Republican Party out of the wilderness of obstruction and division. In so doing he would unite the country.

Almost a year and a half later the question arises: How has he succeeded?

The members of the Republican Party are living in a state of antagonistic cooperation. Whether they endure this state out of force of habit, or because they see no future in ordered harmony, I do not know.

Their uphill and down-dale treatment of our foreign trade policy is merely one example of this domestic version of co-existence of and between the various branches, wings, offshoots, or splinters of what is loosely called a party—Republican by name. Sometimes, but not lately, it has even been referred to as a team.

There are some tragic examples of this political schizophrenia now current in the field of foreign policy, but I hasten to say that my concern over their seriousness prevents my discussing them in public, at least.

This example, however, is now before us: Our foreign trade policy. Two aspects of this matter are before the Senate—one, the extension and revision of the Reciprocal Trade Agreements Act, and the other, the mutual security program which is now before the Committee on Foreign Relations. That the two programs are related is apparent in the slogan, "Trade, Not Aid," which was so prevalent in administration circles a year or so ago.

What happened to that slogan? I thought it was a very good one, entirely worthy of an administration so devoted to the techniques of the advertising profession. It had rhyme and, what is more, reason. It made sense that we would no longer subsidize our exports by taxing ourselves. Instead, we would give our allies an opportunity to earn—by our acceptance of their exports—so that they, in turn, might buy our exports with their own money, not ours.

But slogans, in politics as in merchandising, are useful only so long as they can be backed up by the ability to deliver. One cannot sell soap, even with the best of slogans, unless he has some soap.

And so last year it was decided that the slogan should be sidetracked for a year, until a study could be made. This met with no strenuous objection—at least on my part. After all, the Republican Party had been protectionist-minded since its earliest days, and it had not recently been accustomed to the responsibility which comes with authority.

At any rate, there was no great objection to its attempting to reconcile its irreconcilables through the device of a study commission, to demonstrate, to its party and to the country, that our national security and prosperity depended upon foreign trade.

The Randall Commission was appointed to make the study, and early this year it made its report.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Tennessee.

Mr. GORE. Since the Senator from Arkansas has indicated that this is a bipartisan, nonpartisan subject, will he indicate the type of persons who compose the Randall Commission?

Mr. FULBRIGHT. Of course, Mr. Randall is a leading steel man, and a very intelligent and capable businessman, as well as being a public-spirited citizen. It is a bipartisan Commission, too, I think largely influenced by businessmen who have come to realize the facts of life in that field.

I have a complete list of the members of the Commission, but I do not think it is necessary to read the names at this time.

Obviously, the report was an effort to reconcile the divergent views of its members into a practical program which could be enacted.

I may point out that as members of the Commission from the Senate there were the Senator from Colorado [Mr. MILLIKIN] and the Senator from Georgia [Mr. GEORGE], as well as other Members of Congress. It was a bipartisan commission.

On reflection, I think the membership of the Commission might well be read into the RECORD:

Clarence B. Randall, Chairman, of Chicago, Ill.; Lamar Fleming, Jr., Vice Chairman, of Houston, Tex.

The Presidential appointees were David J. McDonald, of Pittsburgh, Pa.; Cola G. Parker, of Neenah, Wis.; Jesse W. Tapp, of San Francisco, Calif.; John Hay Whitney, of New York, N. Y.; John H. Williams, of Cambridge, Mass.

The Senators were the Senator from Colorado [Mr. MILLIKIN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Connecticut [Mr. BUSH], the Senator from Georgia [Mr. GEORGE], and the Senator from Virginia [Mr. BYRD].

Members of the House of Representatives were DANIEL A. REED, of New York; RICHARD M. SIMPSON, of Pennsylvania; JOHN M. VORYS, of Ohio; Jere Cooper,

of Tennessee; LAURIE C. BATTLE, of Alabama.

So it is very clear that it is a bipartisan commission. As I have already indicated, I think the Commission made an excellent report. I refer, of course, to the report of the majority of the Commission. I do not subscribe to the minority views of the distinguished Senator from Colorado, but this is not the first time we have had a difference of opinion on this particular subject.

The report was disappointing to those who had hoped for a dynamic approach to the problem. The President had asked the Randall Commission to give him a report, "both realistic and bold." The final outcome was more "realistic" than "bold."

The Randall Commission report was satisfactory only from the standpoint of practical political possibilities, but it was welcome as such. The President, himself, acknowledged that when he said, on March 30, that it was a "minimum program."

When I say it is an excellent report, I have in mind that it is such from the practical point of view, because there was no hope whatever of achieving anything more than the Commission recommended and the President recommended in his "minimum program," as we have seen. The President's "minimum" recommendation has not been accepted. I, as have many other members of this body, have long since expected to make progress very slowly in this field. It has been in controversy over 100 years, and we have made very little progress. Its beginning goes back to a period before the War Between the States.

Nevertheless, I would have been glad, and still am, to support this "minimum program" which the President called "essential." I welcome the opportunity to support the recommendations of the President—that is, his original recommendations.

One reason why I would have been glad to support the program was because of its importance to the agricultural economy of the Nation and my State.

The President, himself, said:

Perhaps no sector of our economy has a greater stake in foreign trade than American agriculture. In recent years, for example, one-third of our wheat, 40 percent of our cotton and rice, and one-fourth of our soybeans have been exported. It is highly important to maintain foreign markets for our agricultural products.

I cannot emphasize that too strongly, in view of what I read in the press about the severe criticism of the agricultural surpluses we have in this country and the suggestions made as to how to reduce them, when obviously the only real and intelligent way is to sell them to the people who want to buy them, the very action we make impossible through our tariff policy.

In the same message, the President said that 40 million acres, amounting to 10 to 12 percent of our agriculture, have to find their market in exports. And, he said, "over 4 million American workers depend on international trade for their employment."

The farmers and the factory workers affected have had their markets and their employment sustained, since World War II, by the Marshall plan, and its successors, to the extent of \$33 billion, according to the Randall Commission.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Tennessee for a question.

Mr. GORE. In the consideration of tariffs and foreign trade questions, we hear a great deal about some imagined injuries. We hear the magnified voice of those who think that perchance they may suffer some loss. But in the past 3 years we have seen a demonstration of the large number of people who are severely hurt by a loss of foreign markets. In the past 3 years farm exports have been cut in half. There has been a 50-percent drop in the export of farm commodities in 3 years. In the message of the President relating to the loss of foreign markets, which the Senator has just read, the President also referred to the loss of jobs by people working in industry. The Randall Commission recommendation did not refer directly to the study which was made and its results submitted, but a very responsible study was made and it indicates that if all tariffs were removed—all of them—there would be a loss of jobs in this country numbering about 200,000. I do not advocate the removal of all tariffs—not at all—nor does the President; nor does the Randall Commission. However, alongside the statement of the number of jobs lost if all tariffs were removed, must be mentioned the other feature cited to the Randall Commission, that there were more than 4 million jobs directly involved in export trade. When we lose markets for iron and steel goods, jobs of men mining coal, driving trucks, and working on railroads, are lost, does not the Senator from Arkansas think that, in connection with our foreign-trade policy, we should give more consideration to the larger interests and less consideration to smaller groups who may perchance be hurt?

Mr. FULBRIGHT. I think the Senator from Tennessee is entirely correct. Let me say I appreciate his contribution.

The difficulty arises, I believe, from the difference between conceiving of the injury to a small group in a specific plant and the injury to the Nation as a whole. Obviously, it is much more difficult to encompass the economy of the entire country, when considering the matter in one's mind. In my opinion, there is no question that the economy of the country as a whole would greatly benefit from an increase in international trade, although I believe the manufacturers of briar pipes are hurt by imports. I would not argue that imports are of no injury to that particular industry. However, the principle which must necessarily be followed if protection is to be given that small activity, will, if applied widely, do far greater injury to many, many times that number of persons. It is much more difficult for one to reduce the effect to tangible terms, so as to be able to understand it and explain it in a clear manner, when one is considering the en-

tire economy, as compared to a small business in Brooklyn that employs perhaps 500 or 1,000 persons, at the most. That is the difficulty.

Mr. GORE. Mr. President, will the Senator from Arkansas permit me to cite a larger interest that is affected?

Mr. FULBRIGHT. I shall be glad to do so.

Mr. GORE. Forty-eight percent of the wheat production of the United States in 1952 was exported. In 1953, the exports dropped to 24½ percent of that year's production of wheat. This year the picture looks even worse. If we compare the injury to all the wheat farmers of the Nation to the injury to the briar-pipe industry, I believe the national interest will emerge in bold relief.

Mr. FULBRIGHT. The Senator from Tennessee is quite correct. Strangely, enough, however, human nature is such that the briar-pipe manufacturers, or at least their representatives, have made a great deal more noise in Washington, and have received much more attention in the newspapers, than has the wheat industry.

Of course, we have found ways—largely by using the taxpayers' money—to help the wheat producers; we either pay them a support price, on the one hand, or we maintain a Marshall plan, by means of which we supply to foreign countries the dollars with which to purchase the wheat, when we do not permit the foreign countries to earn the dollars. So we have found ways to do those things, so as to provide some sort of temporary palliative.

However, the important point is that the wheat producers of the Dakotas and other areas of the United States do not find it easy to see the relationship between their prosperity and foreign trade.

When a wheat producer sells his wheat in Minneapolis, he thinks that is the end of it, and that someone else has the responsibility of handling the wheat from that point on. So he does not bother about the ultimate disposal of the wheat.

Mr. LONG. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. LONG. I agree with the Senator from Arkansas that more good for the average American is to be derived from trade than from placing high barriers in the way of trade.

I should like to point out that if we simply isolate the problem by comparing the relative injury to a special interest, to the good to be done to the great majority of the American public, we still arrive at the question whether we can afford not to trade with many of our allies and friends in the world.

Obviously, Japan will have to trade with someone. The United States can erect high trade barriers, and still have most of the things she needs; but Japan cannot do so. Japan must find some other country with whom to trade, in order to obtain the raw materials and other things she needs for her economy. A failure by us to trade with Japan will simply force Japan into the arms of the Soviet bloc, in order to obtain the ma-

terials she requires. We shall find more and more that we have lost much of our influence in world affairs, particularly with some of the growing powers of the world, if we fail to trade with them.

Mr. FULBRIGHT. The Senator from Louisiana could not be more correct. A little later I shall refer to the point he has made for, from the material point of view, far overshadowing our own prosperity, is the question of our security in the cold war and in the threatened hot war with Russia. There is no doubt about that.

Mr. LONG. There is no reason why such trade could not be mutually profitable both to the United States and to the other nations involved.

Mr. FULBRIGHT. That is entirely correct. So I cannot understand why our friends on the other side of the aisle are unable to comprehend it, for it is clear to me that we are not being asked to make a sacrifice. Actually, I think this proposal is for a step toward a stronger economy, looking at the economy of the Nation as a whole, not merely at the briar-pipe manufacturers, or the mineral producers of Colorado, or the wool producers of Wyoming.

I do not deny that certain industries are uneconomic, as regards competition with certain foreign producers. We do not excel in efficiency of production in the case of every item made in the world. I would not for a moment say that we excel in every case. There are certain industries—relatively small ones, when compared to the national economy—which would suffer; I do not deny that; but that situation is a part of the picture, and certainly some shift would be entailed.

I should like to cite an analogy which I think it would be well for our friends to consider, namely, what has happened in the South and in the North during the past 100 years, during the years since the War Between the States. Until about 15 years ago, the attitude in New England and elsewhere in the northern area was that it would be injurious to them to have industry develop in the South; and ever since the creation of the Interstate Commerce Commission, obstacles were placed in the way of development of industry in the South. That was done on the theory that every time a plant was built in the South, it would be competitive with the North, and thereby would injure the North by causing, in some way or other, a financial loss.

However, the truth of the matter has been that, over the strenuous objection of the North, and because of the wartime situation, plants were built in the South. Although that development has caused shifts and has caused a limited injury in the case of specific plants in the North, yet, when looking at the whole northern area, or the so-called Official Territory, we find it has prospered because the South has prospered, for in that way the South has provided purchasing power for the products of the North far in excess of what the purchasing power of the South used to be. The South buys, as of today, many more

automobiles, much more jewelry for instance; and the New England States prosper from those sales. So, by and large, the northern States and, in particular, the New England States, have not suffered because the South has been industrialized.

On the contrary, the whole people are far more prosperous than they were under the old high-tariff policy of the New England States, reenforced by freight-rate differentials, which have exactly the same effect upon industry in the South as tariffs do upon trade between the nations. So that is a good analogy. I believe it is the best one available, and I recommend to my friends on the other side of the aisle a study of what has happened, as a result of World War II, and the industrialization of the South to the domestic economy by the freeing of the channels of trade. There is no doubt of the beneficial effect. Let me point out that in the case of my own State, the per capita income was approximately \$254 in 1939, whereas in 1953 it was approximately \$951. It is true that much of the money winds up in the pockets of the northerners; but in the process, we in the South obtain shoes, automobiles, clothes, and other things we need.

That is really the way trade between the nations would work—granted that at all times it will be possible to point to an injury being suffered by a single, usually relatively small industry, for instance, an industry such as the manufacture of briar pipes.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I should like to complete my statement. I do not wish to take too much of the time of the Senate, but I will yield for a question.

Mr. GORE. Before the able Senator leaves the subject of injury, will he not discourse upon the permanent injury which is being inflicted upon the wheat farmers of America by the process of the American Government doing nothing in connection with a foreign trade policy, combined with the Russian trade offensive, the combination of which results in the reduction of acreage to the American farmer and the piling up of surpluses? Our bins are running over. There has been a drastic drop in the export trade for American wheat, and Russia is picking up our customers and selling her wheat in Western Europe to customers who have been ours, who wish to continue to be ours, but who cannot because of our do-nothing policy on foreign trade.

Mr. FULBRIGHT. The Senator could not be more right. As I stated a moment ago, that is the thing which frightens us all. Perhaps these policies were defensible 100 years ago. Under present conditions they are very dangerous indeed. That danger is in addition to the economic effect, for the very reason which the Senator mentions. Today when we pick up a newspaper we see that the Russians are sending trade emissaries all over the free world, and all over Europe. Now Mr. Attlee and others of his party in Britain are going into China to discuss trade. With re-

spect to the free world, Russia is doing everything possible to attract their trade, which we are refusing to permit on a free basis.

We encourage a certain amount of trade on a subsidized basis by a giveaway program under the present Marshall plan. I wish to say something about that a little later in my remarks. I do not desire to anticipate the entire argument. The problem is more complicated than I have made it seem. However, I think the Senator's point with regard to Russia being willing to step into the vacuum which we are creating is very sound.

Mr. GORE. The able Senator has referred to the present injury. Does not the pattern which is being fixed by the do-nothing policy inflict a permanent injury upon the American wheat farmer?

Mr. FULBRIGHT. There can be no doubt about that.

Mr. GORE. When I refer to the wheat farmer, I am merely using him as an example. Other examples are the cotton farmer, the tobacco farmer, and other farmers.

Mr. FULBRIGHT. Recently the press carried a story with respect to a reduction of 10 million acres which the Secretary of Agriculture has recommended be taken from wheat acreage.

Mr. GORE. If we continue the policy of doing nothing, the restrictions next year will have to be greater.

Mr. FULBRIGHT. I think there can be no doubt about it, unless it is proposed to increase mutual aid very greatly in order to give our products away. The alternative to trade is to give our commodities away. At this late date, since we have largely recovered from the disastrous effects of the war, the mutual aid program smacks very greatly of a giveaway program.

Mr. LONG. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LONG. I am sure the Senator realizes that there is more than one alternative. The administration has three choices—first, to have the American economy produce less; second, to give our products away; and third, to trade.

Mr. FULBRIGHT. The Senator is quite correct.

Mr. LONG. At present the administration seems to be directing its policies toward a condition wherein we shall produce less, trade less, and have less.

Mr. FULBRIGHT. I think the Senator is quite correct.

Of far greater importance to our national security is the fact that the Russians are quite willing to take up the slack of our diminishing foreign trade. Indeed, it has been their publicly announced policy, before and after the death of Stalin, that this is the chosen way of dividing us from our allies.

How have we met this challenge? By reducing foreign aid, maintaining protective tariffs and other devices, and by relaxing our restrictions on trade behind the iron curtain. Let us face this last fact. The pressure behind the efforts to reduce restrictions on East-West trade is due in large measure to the restrictions

on trade within the free world—restrictions which, as the President has said—to which I agree—we must take the lead in removing. To the extent that we fail to remove those restrictions, we enhance trade, on a mutually beneficial basis between Western Europe and the Iron Curtain countries, including China. Does this help us? Certainly it does not to the extent that it replaces trade between ourselves and our allies.

Yet the administration has been forced into this policy of relaxing restrictions—at least, to some extent—because of its inability to alter our own foreign trade policies.

I do not imply anything sinister or subversive in this. This policy is not being dictated in the Kremlin, but by the simple facts of life. Foremost of these facts of life is that the Republican Party is unable or unwilling to support its President on this crucial issue involving our national security. The President has described the importance of this matter in this way:

If we fail in our trade policy, we may fall in all. Our domestic employment, our standard of living, our security, and the solidarity of the free world all are involved.

As to our trade policy, what has happened? On Friday, the House passed a bill extending for 1 year only the present inadequate Trade Agreements Act. I say it is inadequate, because I agree with the President that his program—which he sent to the Congress—is indeed a minimum program. That is his description of it, in which I concur.

One of the worst effects of this policy of procrastination, hesitation, and doubt was pointed out in another message of the President. In his economic report, he said:

World trade has been conducted in years past under the constant threat of the erection of new trade barriers by all of the major importing countries. In the case of the United States, as our foreign trade policy has been debated from year to year, other nations have come to entertain doubts concerning its continuity. Although we have in fact carried out vigorous tariff-reducing programs in recent years, we have undertaken these measures in an atmosphere of constant uncertainty. Our trade policy and customs administration should provide a sense of continuity, stability, and forward movement to the rest of the world.

In spite of this clear statement of the need for continuity and stability, we are asked now to support another year of indecision and delay, with the final outcome still a highly doubtful question.

In the meantime, we are asked to support another foreign-aid bill, designed, in large measure, to fill this gap.

I say "we are being asked." Frankly, I do not know whether or when we shall be asked by the administration to support a particular measure. To date, the President has sent up no message on the foreign-aid program—a field in which ordinarily it is considered he has primary responsibility. In this case, as perhaps in others, the President may be interested in learning what Congress wants before he asks for what he wants.

At any rate, it seems clear that we shall be asked, some time, to support

more foreign aid, although less than in previous years.

I have supported such programs in the past. The nations which were the recipients of our aid were to a great extent devastated by the war. They had virtually liquidated their economies in the war effort, or they had been exploited by occupation. To maintain them against the Communist threat we were forced to aid them. Furthermore, there was an opportunity to assist and encourage the building of a new political structure, on a permanent basis. I regret that we missed that opportunity. But the days of reconstruction are past. Europe, today, is much more than reconstructed. Its production exceeds that of prewar days. The opportunities for political reorganization are still present to some extent, but they are not contingent upon our financial assistance. I am willing to support those categories of the bill which can be justified from a military standpoint, although I think probably they should be transferred to the military budget. I am also willing to support the true technical-assistance programs which give some hope for long-range stability and progress in the so-called underdeveloped countries.

I am not willing, however, to support those amounts contained in the bill which are designed as stopgap expedients for procrastination and indecision in our own foreign trade policies. I am not willing that the American public be taxed as a tribute to the power of the protectionist Republicans, and to the inability of the President to lead his party in what he, himself, has called a minimum program.

There is a possibility that the reduction or elimination of foreign aid may impose risks. However, its continuance merely postpones the day when we shall settle this question of trade or aid upon its merits.

The President, on March 30, in his message to the Congress on this subject, has said:

The United States must take the initiative and, in doing so, make clear to the rest of the world that we expect them to follow our lead.

This was the ringing challenge, the call to arms which accompanied the President's foreign trade program.

I do not know what happened between April 30, when the call to arms was sounded, and May 20, when the President announced he would be willing to settle for considerably less than his minimum program—an extension of the present law for 1 year. But I do not believe the United States can expect our friends abroad to follow our lead, as the President demanded, unless they know where we are going. Nor can we ourselves lead, unless we have leadership.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement issued by Mr. Adlai E. Stevenson on the subject of the amendment offered by the junior Senator from Tennessee [Mr. GORE] and other Senators.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY ADLAI E. STEVENSON

I welcome the initiative of Senator GORE of Tennessee and the group of other Democratic Senators who have joined him in seeking to bring about favorable action in the Senate at this session on the tariff and trade proposals of the Randall Commission. This is not a partisan matter, but one on which Democrats and Republicans should unite. The Randall Commission was a bipartisan commission appointed by the Congress and the President and its recommendations were supported by Commission members of both parties in and out of government.

These new trade and tariff proposals were sent to the Congress this spring by President Eisenhower. They are before the Senate this week for consideration. I believe it would be a great misfortune if they were not acted upon at this time but were permitted to lie on the shelf another year while American trade policy remains paralyzed.

The American economy is a vigorous, growing one, and it is surely in our interest to have an expansion of international markets for our goods. But, equally important, is the fact that unless the free nations can trade among themselves, they will be forced to trade with the countries in the Soviet orbit. American economic isolation would play into the hands of the Communists.

At this time, when our relations with our allies are so desperately important, I can think of no more telling indication of our determination to provide leadership in the free world than the prompt acceptance of the moderate advances in our international trade policy recommended by the Randall Commission and the President.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial entitled "Democrats to the Rescue" published in Life magazine of June 21, 1954.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEMOCRATS TO THE RESCUE

In a dramatic worm turning in the Senate last week, 11 Democrats led by ALBERT GORE, of Tennessee, threatened to capture Eisenhower's foreign-trade program and pass it, despite Republican opposition. During an enthusiastic 90-minute debate, which clearly illuminated the importance of this program to United States prosperity and the future of the free world, not one Republican said a word. KNOWLAND finally changed the subject. In the House the Republicans responded by extending for 1 year, without change, the moth-eaten Reciprocal Trade Agreements Act, thus ducking the issue till next session. "The sole purpose is to preserve the status quo," said DAN REED.

That's what the Republicans did last year, too. Their excuse then was to gain time for a complete study of our whole foreign economic policy. This study was made. The Randall Commission issued its report last January, a disappointing but not hopeless compromise between protectionists and liberals. In March the President picked the best of the Randall recommendations and urged their passage on Congress. These dwarfed fruits of so many previous compromises were then pared away by Republican Congressmen to the mere stem of REED's "status quo," the President meekly agreeing.

"I say that our foreign-trade policy is too important to be sacrificed without a struggle," declared ALBERT GORE last week. Amen, Senator. And three cheers for all Democrats willing to join GORE's plot to make the fight the President wouldn't. Sure, GORE and Co. are interested in embarrassing the Republicans. But in this case the embarrassment of the Republicans, besides being richly earned, coincides with the interest of the Nation.

The President's foreign-trade proposals were, as he said in March, the minimum necessary to keep a certain hope alive among our allies: the hope that free enterprise would have a new birth in an environment of expanding trade. Surely Congress should be allowed to vote on that; and we hope GORE and Co. will resist the temptation to settle for DAN REED's status quo and will carry through their plot on behalf of the whole presidential program. We never thought we would see the day when the Democrats looked like saviors of free enterprise, but they certainly look that way on this issue.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article entitled "Soviet Strategists Use Trade Bait in Traps for Underdeveloped Areas," written by Mr. Paul Wohl, and published in a recent issue of the Christian Science Monitor.

I especially recommend this article to the attention of Senators because it is an excellent description of the significance of the Soviet drive for trade, and their strategy in splitting many of the undeveloped free countries from the leadership of the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET STRATEGISTS USE TRADE BAIT IN TRAPS FOR UNDERDEVELOPED AREAS

(By Paul Wohl)

Soviet political and economic strategists are engaged in a long-range campaign aimed at rallying all of Asia and most of the rest of the world's underdeveloped nations to their side.

Moscow is tackling this task from three angles: (1) through cultural exchange, (2) through technical assistance, (3) through trade.

In what can be fairly described as a bold and imaginative bid for varied leadership, the trade approach recently was given a new orientation. According to this plan, the U. S. S. R. is to become an international commercial center, and eventually a political lodestar, for underdeveloped countries.

On the Government level, the campaign is supported by accredited diplomats, trade specialists, and prominent engineers, while local Communist Parties carry on propaganda among the masses with the assistance of Moscow-trained political agitators, trade-union organizers, and terrorists.

The combined cultural exchange and the trade and technical assistance approach on a worldwide scale is to reach its climax in September-October, when delegates from India, Burma, Indonesia, Ceylon, Afghanistan, Pakistan, Thailand, Japan, the Philippines, Nepal, Malaya, and British Borneo are to visit the Soviet Union for "approximately 1 month to study development of industry and agriculture."

INVITATION EXTENDED

An invitation to that effect was tendered by Mikhail A. Menshikov, Soviet Ambassador to India and a long-time associate of the Kremlin's Foreign Trade Director, Anastas Mikoyan, at the February meeting of ECAFE, the United Nations Economic Commission for Asia and the Far East, in Kandy, Ceylon.

On April 30, Semyon K. Tsarapkin, Soviet delegate to the UN Economic and Social Council, offered all Latin American countries the same kind of invitation for the same month. Both Asian and Latin American representatives will be the guests of the U. S. S. R. during their entire stay.

"Soviet Union organizations," presumably VOKS (officially not the Government), will

bear all their expenses incurred inside the Soviet Union. Several Middle East countries also are to be invited.

As an additional inducement, the Soviet bloc, since the beginning of the year, has signed at least 10 new trade agreements with Asian and Latin American countries calling for trade worth more than \$100,000,000 in the next 12 months.

A highlight of the projected Asian and Latin American junket to Moscow will be the agricultural exhibition, which is to open in the Soviet capital on August 1 and in all likelihood will be fully completed only when the Asian and Latin American guests arrive.

IMPRESSIVE EVENT

The first exhibition of this kind was held shortly before the war. It was a unique event, impressive and instructive at the same time. Thanks to the diversity of soils, altitudes, and climates of the U. S. S. R., its scope could have been equaled only by the United States or by the British Empire. Demonstrations and exhibits catered to the earnest agriculturist. Folk dances and display of national arts were the only entertainment; and propaganda by Soviet standards was kept within reasonable bounds.

This year's exhibition is to eclipse all previous records. Its 300 pavilions will occupy 500 acres and will be served by 20 miles of hard-surfaced roads. About 2,000 specimens of 260 different kinds of cultures and 800 different types of agricultural machines will be shown. The U. S. S. R., of course, will present its agricultural experience in the best light.

Asian and Latin American visitors are bound to be impressed as the uncontested discoveries of Russia's great botanists and biologists of the past will be linked with today's state-subsidized pioneering experiments under natural conditions similar to those existing in many Asian and Latin American countries.

Another aspect likely to please Latin and Asian delegations will be the absence of sales talk at the exhibition itself. The Soviets already are going out of their way to stress the difference between their "purely educational show animated only by a spirit of Socialist emulation" and the commercial fairs organized by business firms in capitalist countries.

That may not make much sense to most Americans and Europeans, but it may appeal to representatives of capital-poor but proud countries who have no experience with the working of a capitalist society of the American type.

Once the delegates are sufficiently taken in by what they have seen at the exhibition and on visits to provincial centers—for the Asians a big tour is planned through the U. S. S. R.'s Asian republics—the Soviets expect to talk trade.

Asian and Latin American countries have been officially informed that Moscow is ready to grant them substantial commercial credits and, what is more, to accept payment in national currencies. Long-term trade agreements are being offered ostentatiously as a means of assuring the raw material supply of the U. S. S. R. and of stabilizing its export production schedules.

STABLE REVENUES

At the same time these agreements guarantee stable revenues to countries suffering periodically from sharp price fluctuations for such products as tin, rubber, copra, tea, and rice. The formula is the same as the one Nazi Germany used to tie the depression-stricken East and Southeast European countries to Germany and to make big inroads in Latin America.

There are indications that Deputy Premier Anastas Mikoyan's trade negotiations aim farther. At the ECAFE meeting, as well as in recent magazine articles, Soviet spokesmen have hinted that entirely new multilateral arrangements might be worked out not only

with the U. S. S. R. but also with Communist China and the other members of the Soviet bloc.

The idea is that participating countries would currently draw on one another's balances without waiting for the annual closing of accounts and that balances could be freely transferred among all partners.

COMECON, the Soviet bloc's Council for Mutual Economic Aid, met in Moscow on March 26 and is reported to have set up a special committee to consider how the ruble bloc could best take advantage of balances in Asian and Latin American currencies. European foreign trade experts point to the fact that the setting up of such a multilateral trading and accounting arrangement might well be possible since the amounts involved, at the beginning at least, would be relatively small.

There also can be no doubt that the gold-rich Soviet Union is technically capable of extending industrial and commercial credits to capital-poor overseas countries.

Even more challenging from the American point of view is the U. S. S. R.'s new role as a great industrial power offering technical assistance to underdeveloped nations. Technical assistance agreements exist with India and Afghanistan. The agreement with India has a consultative character.

Afghanistan, according to its representative at the ECAFE meeting, is receiving petrol tanks and grain silos from the Soviet Union. Soviet technicians are installing the equipment. Its cost and the services of the technicians will be paid for through Afghan exports to the U. S. S. R. The Soviets also will send engineers to help build a mill and a bakery.

Moscow has offered to make railway equipment available to all Asian and Far Eastern nations for training purposes and has invited specialists to come to the Soviet Union for technical training on rail lines operating in country similar to their own. Other trainees are to learn about construction and working of power stations, mining, rubber processing, fighting of locusts, etc.

MEAN BUSINESS

An immediately available Soviet contribution of 4 million rubles to the technical assistance fund of the United Nations and smaller contributions from the Ukraine, Byelorussia, Poland, and Czechoslovakia are being played up as evidence that the Communists mean business.

The big Soviet argument is the U. S. S. R.'s unique experience in carrying out a huge technical assistance program for Communist China and on a smaller scale, the development of industrial, power, and transportation facilities in predominantly Moslem Albania.

At the ECAFE meeting, where Ambassador Menshikov painted a glowing picture of what Soviet technical assistance crews had achieved in these two countries, the delegate of Nationalist China intimated that between 500,000 and 800,000 Soviet experts were working in Communist China for the benefit of the Soviet Union. Who, he asked, covered the expenses of these innumerable Russian specialists?

The American delegate, in turn, pointed to what had happened to the once independent satellites. U. N. observers in Asia privately have expressed doubt whether this kind of reasoning makes much of a dent in Asian thinking. It may serve rather to underline that the Soviets are doing things in a big way and make the United States point 4 program appear small in comparison.

CONTRASTS CITED

Meanwhile, Soviet propaganda misses no opportunity to ingratiate itself with Asian nations. When Afghanistan this spring suffered extensive flood damage, the Soviet Red Cross, in an unprecedented move, contributed to the cost of helping the victims.

When, in March-April, the eastern sections of Baghdad were deep under water and throughout Iraq hundreds of thousands were shelterless, Radio Moscow promptly recalled various projects for the regulation of the Tigris which had been agreed upon by the Iraqi Government and British firms, but allegedly were not carried out because of the opposition of domestic and foreign vested interests.

This was contrasted with the completion of irrigation works on an even larger scale in China. On May 30, at ECAFE's regional conference on water resources development in Tokyo, the Soviets were represented by one of their foremost authorities in the field, an Armenian, who complimented the Japanese for their water resources development techniques and then referred to the Soviet plan for exchange of technical experts among the nations of Asia and the Far East.

On such occasions the Soviets also benefit from the presence of many of their younger specialists who have become thoroughly familiar with Asian languages.

The importance of the Asian language program is constantly being stressed. Last month Pravda disclosed that new Russian dictionaries in eight East Indian languages and in Vietnam, Malay, Burmese, Thai, Afghan, and Tibetan, either had appeared or were in preparation. Dictionaries in Swahili and Amharic, two African languages, also were mentioned. Soviet technical specialists and negotiators at ECAFE meetings and in bilateral conferences in Asia are chosen more and more from among the Asian peoples of the U. S. S. R.

This whole campaign with its cultural, technical, and commercial ramifications, shrewdly supported among the miserable peasants and poorly organized industrial workers by native Communist organizers, is so effective, well synchronized, and intelligently thought out, according to an American expert who recently returned after a stay of several years in southeast Asia, that it could be countered only by a gigantic effort of the West.

HARSH ALTERNATIVE

Otherwise all of Asia might fall to the Communists.

Such an effort, the expert held, would have to mobilize not only large industrial and financial resources, it also would have to draw on American idealism on the grass-root level by mobilizing and training tens of thousands of young volunteers with technical knowhow willing to help their fellowmen in backward countries and ready to live for some time under conditions similar to those of the inhabitants.

If American practical idealism could be channeled in that direction, it would eventually outshine the flame of revolt fanned by Communist agitators and draw the sincere idealists on the side of those who, through vigorous reform, wish to build a better adjusted and free society.

Mr. GORE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, the able and distinguished Senator from Arkansas, in the course of his excellent address, referred to the foreign policy relationship between foreign trade, the economic policy here at home and abroad, and the pending legislation. The able Senator also made reference to the loss of export trade to the farmers.

I should like to emphasize, in addition, the loss of employment to American workingmen by the "do nothing" policy.

The record shows that we lost \$1 billion in export trade last year. According to the formula used by the staff of the

Randall Commission, by which each man in productive work is estimated to produce goods of a value of approximately \$5,000 or more, the loss of foreign markets caused the loss of their jobs to approximately 200,000 American workmen last year.

If, by doing nothing, we are losing jobs for American workers, adding to the unemployment rolls in the United States, losing markets for American farmers, adding surpluses to our stockpiles, which are already too large, adding additional cost to the American taxpayers in price-support programs, causing production restrictions on the farmer, and if at the same time American business is losing customers and the American economy is suffering—when we couple all of those factors with the implications of the Russian economic penetration into countries which are our friends and want to remain our friends, what good reason can the Senator offer for doing nothing for another year on this vital policy?

Mr. FULBRIGHT. The answer is that I see no good reason. The Senator is entirely correct. He has outlined the main considerations in support of the program proposed by the President in his message of March 30, as distinguished from the pending bill.

I believe this is perhaps the most serious and most important legislation, or program, that will come before the Senate at this session. As the President has said, "If we fail in this we may fail in all."

The foreign-trade program is most difficult politically. It illustrates perhaps the outstanding weakness of our democratic system, which is the undue power that a small, vocal and energetic group can exercise to the detriment of the welfare of the vast majority of the people of the country. This is an excellent example of it. There is no good reason, no rational reason for it. Yet we are unable, and have been unable for many years, to liberalize our trade policies, because of the exercise of great power by small groups who are interested in specific industries. I do not wish to belittle those industries, as such; I merely wish to say that they are very small segments, and they exercise entirely too much influence upon the national policies, to the detriment of the whole country.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. BUSH. The Senator has given some advice to New England with respect to tariff matters. He has spoken very kindly about the report of the Randall Commission, of which I was a member. I should like to call his attention to one section of the Randall Commission report on page 29, from which I should like to read an excerpt and then ask that the section be printed in the RECORD.

I read from page 29 of the report. The heading reads:

Conflict between farm policies and enlargement of international trade.

I shall not read all of it, but I begin about in the middle of that section:

In the opinion of the Commission, it is necessary to harmonize our agricultural and foreign economic policies without sacrificing the sound objectives of either.

The inherent conflict is not between foreign trade policy and farm policy as such, but rather between foreign trade policy and the means by which an important phase of our foreign policy is being implemented. To put the matter boldly, it is necessary to emphasize that inflexible price-support programs which hold domestic prices above world prices become price-fixing programs and result in accumulations of surpluses that would otherwise have moved into consumption here or abroad. To maintain such price-fixing programs, it may become necessary for the United States to apply trade restrictions of various kinds, including import quotas, to keep down foreign importations. To move high-priced surpluses into export markets it may seem necessary to use export subsidies or dumping procedures that, if practiced with respect to imports into this country, would involve the application of our antidumping and countervailing-duty laws. Price-fixing, particularly with reference to commodities moving in international trade—

I may say parenthetically that, as the Senator has pointed out, that applies to a great many of our important agricultural products.

Price-fixing, particularly with reference to commodities moving in international trade, is inherently incompatible with a pattern of private trade, free enterprise, and nondiscriminatory commerce among nations.

Mr. President, I now ask unanimous consent to have printed in the RECORD at this point the section of the report entitled "Conflict Between Farm Policies and Enlargement of International Trade."

There being no objection, the section of the report was ordered to be printed in the RECORD, as follows:

CONFLICT BETWEEN FARM POLICIES AND ENLARGEMENT OF INTERNATIONAL TRADE

Consideration of policies designed to bring about enlargement of our trade in farm products must of necessity include certain phases of our domestic farm policies. Agriculture's interest in foreign markets and in a constructive foreign economic policy is so great that it must not be sacrificed by failure to make urgently needed improvements in those farm policies which are in obvious conflict with trade policies that are vital to our entire economy, including agriculture. The maintenance of a strong agriculture is essential to the maintenance of a sound American economy. But the strength of American agriculture, great though it is, is being weakened by the inflexibility of the present scheme of price supports and their consequences.

In the opinion of the Commission, it is necessary to harmonize our agricultural and foreign economic policies without sacrificing the sound objectives of either.

The inherent conflict is not between foreign trade policy and farm policy as such, but rather between foreign trade policy and the means by which an important phase of our farm policy is being implemented. To put the matter boldly, it is necessary to emphasize that inflexible price-support programs which hold domestic prices above world prices become price-fixing programs and result in accumulations of surpluses that would otherwise have moved into consumption here or abroad. To maintain such price-fixing programs it may become necessary for the United States to apply trade restrictions of various kinds, including import quotas, to keep down foreign importa-

tions. To move high-priced surpluses into export markets it may seem necessary to use export subsidies or dumping procedures that, if practiced with respect to imports into this country, would involve the application of our antidumping and countervailing-duty laws. Price-fixing, particularly with reference to commodities moving in international trade, is inherently incompatible with a pattern of private trade, free enterprise, and nondiscriminatory commerce among nations.

The International Wheat Agreement has contributed little to the solution of wheat problems of the United States and the world at large. Its chief significance has been to accord official sanction, on the part of the participating nations, to United States export subsidization of the United States quota when nonquota export prices were at or above the agreed maximum. At heavy expense to the United States Treasury, this has contributed to the persistence of excessive domestic support prices, which have given undue stimulus to wheat production here and abroad, and has tended to obstruct, rather than to facilitate, normal readjustments in United States agriculture, and to lead to abnormal accumulation of stocks of wheat. In the current season, when export prices are below the agreed maximum, the importing countries are relieved of their obligation to purchase wheat unless the prices drop below the agreed minimum level. Furthermore, the most important importing country is no longer a party to the agreement. Under these circumstances the significance of the agreement in relation to our wheat export problem is relatively slight.

Ample evidence of the unavoidable consequences of the price-fixing policies required by present law under mandatory price-support programs is provided by the developments listed below.

(a) Burdensome accumulations of a number of farm products under Commodity Credit Corporation purchase and loan programs. Under the present price-support program, the CCC owned or held under non-recourse loans on October 31, 1953, in excess of \$4.5 billion worth of farm products. This amount is now being increased very substantially as the 1953 crops of cotton and corn are placed under CCC loans.

(b) Reduction in the exports of some products due in part to the pricing of these products above the world level of prices. In all, more than 60 percent of the present holdings of commodities by the CCC (including amounts under loan) is represented by commodities which are normally exported in large volume, especially wheat, cotton, and tobacco.

(c) Continued resort to heavy expenditures for export subsidies.

(d) Pressure for import quotas or other limitations on the importation of commodities in addition to those for which such limitations are already in effect.

The Treasury burden of the programs may be kept under some measure of control if efforts to reduce Government inventories through mandatory acreage restraints should be reasonably successful. Except for a few commodities, however, this is entirely impractical, and such a policy can easily lead to a greater than necessary sacrifice of foreign markets for some products and hence to a serious loss to agriculture as a whole.

Restrictions on our imports of certain farm products, for the purpose of protecting domestic price-fixing programs on such products at prices above world levels, can and do lead to retaliatory measures which hurt other segments of agriculture which are dependent upon export outlets and a favorable climate for foreign trade.

The great strides made by farmers in increasing the productivity and efficiency of our agriculture during the past decade give ample evidence of the great vitality and

flexibility of the agricultural sectors of our economy. Good prices based upon a broadened demand for farm products at home and abroad constituted an important factor in this upsurge of farm productivity and general farm progress. Flexibility in agriculture itself, and in agricultural policy, would appear to be essential in the present situation if farmers are to be in the best position to adapt their farming operations to the changing needs of domestic and foreign markets. This flexibility, especially with respect to foreign markets, can be largely lost if a system of fixed prices is allowed to become permanently imbedded in our farm policy as it relates to possible export markets.

If to a scheme of fixed prices in agriculture are added the inevitable implementing devices of production quotas, import controls, and export subsidies, the ability of agriculture to play a continuing dynamic role in expanding international trade will be largely lost. This would be a serious loss, not only to agriculture, but to our entire economy and to the productivity of the free world. Furthermore, the repercussions from the standpoint of the trading policies of our friends and allies of the free world would be to the detriment of all concerned.

Mr. FULBRIGHT. I appreciate the Senator's inviting attention to that point. I think the President's message of March 30, in which he points out the interdependence of agriculture and the problems which he mentioned, is quite correct. It could well be argued that one of the principal reasons why we have price-support programs is the limitation of our foreign markets, resulting from our high tariff policies. I think one might argue quite reasonably that if there were greater purchasing power in the foreign countries they could use our wheat and cotton. That would, in itself, relieve us of the necessity of having price supports. If a demand for our products were created abroad, it would tend, naturally, to increase the price a little. I do not think the Senator from Connecticut [Mr. BUSH] will disagree with the statement that a larger volume of trade among the nations would tend, in an overall sense, to bring about a higher standard of living and prosperity for all of them, just as the higher standard of living in the United States has tended in the same direction. I do not think the Senator will dispute the analogy I offered regarding the prosperity of the South having actually assisted the North. Although a few specific textile plants have suffered, the overall situation in New England has been benefited, I believe. The prosperity of the New England States has not been materially affected.

Mr. GORE. Mr. President, will the Senator from Arkansas yield further?

Mr. FULBRIGHT. I yield.

Mr. GORE. I am acquainted with the passages which the distinguished Senator from Connecticut read from the Randall Commission report. I also have some additional statistics in mind. During the past 3 years while the percentage of our annual farm production which was exported dropped 50 percent, commodity credit stocks of wheat in storage bins in this country went up 300 percent.

The Senator has referred to cotton. I am sure he realizes that in 1952 we exported 37 percent of our cotton produc-

tion. Last year we exported only 20 percent of our cotton production. Despite the acreage-cut already in effect, the outlook is worse this year, and despite the large acreage reduction already indicated for next year, the picture is not bright, even as to percentage of production, when we are cutting our production all the time. Our foreign markets are declining faster than are our cuts in production.

Lest someone thinks the farmer alone is being hurt by this do-nothing policy, let me recite the fact that exports of the products of American industry to foreign markets have dropped drastically because the foreign nations have no money with which to buy what we produce, unless we give it to them or give them an opportunity to trade with us.

Mr. FULBRIGHT. It is not because they do not want our goods. All the evidence is that there is plenty of demand for them, if those nations only had the necessary purchasing power, because there is a great shortage of industrial goods abroad. There is a greater demand for industrial goods than for anything else.

Mr. GORE. We have been exporting as much as 45 percent of our production of track-laying tractors, and 13 percent of motortrucks and coaches. Our markets for these products are fast disappearing.

I have referred to this 1-year extension as a "do-nothing" policy. If the Senator will permit me to express my reasons for referring to it in that manner, I should appreciate his yielding further.

International trade is not a year-to-year proposition. It takes longer than a year successfully to work out multilateral international agreements. There was a 1-year extension last year. What has been done under that extension?

Mr. FULBRIGHT. The extension was for the very purpose of making a study and determining what the President ought to recommend, and what he did recommend. That is the futility of the pending bill. As I recall, the President said the extension of the act last year was for the purpose of studying the subject. He said almost the same things he now says. I do not know how it can be any more comprehensive after a re-examination. That was the purpose of the extension. It was agreed to on the theory that this is a new administration and perhaps, in view of its responsibility, it should have an opportunity to study the subject. I thought the opportunity to study it would make a little change in the attitude of the powers that be, both in the legislative bodies and in the executive departments, but apparently they only want to study it some more.

Mr. GORE. Our distinguished, able, and lovable friend from Colorado [Mr. MILLIKIN] wanted to have time to study it. He has had a year. He still believes there should be more time for study. The Senator from Arkansas does not think the Senator from Colorado is slow, does he?

Mr. FULBRIGHT. I think the Senator from Colorado has studied the sub-

ject thoroughly enough. Why he is so perverse in his attitude I am unable to understand. This is the only instance in which I have disagreed so heartily with his point of view. It is not because he is not informed about the facts of Colorado. I do not know whether he has examined the facts very much as they affect Arkansas, Tennessee, or Louisiana. Maybe he should come down and visit us. I had better invite him to come.

Mr. GORE. Can the Senator from Arkansas tell me how many agreements have been signed as a result of the 1-year extension enacted last year?

Mr. FULBRIGHT. I do not know that any have been signed. I doubt that any will be signed under this proposed extension. It was rumored that there was an understanding to that effect, but whether there is or is not, I do not expect any agreements to be signed. In fact, I think they are doing everything they can to increase trade of other free nations with Russia and her satellites without any possibility of the free nations increasing their trade with us. The world is busying itself with business behind the Iron Curtain.

Mr. GORE. Does the Senator agree with my reference to it as a do-nothing policy?

Mr. FULBRIGHT. I do. The Senator knows I am a cosponsor of his amendment, which is in the nature of a substitute for the President's original program which he recommended as a result of the report of the Randall Commission.

Mr. GORE. In addition to its being a do-nothing policy, it acts as an invitation to Red China to move in and take American business.

Mr. FULBRIGHT. They have already tested it and are busily implementing it today.

PLANNING FUNDS FOR JOHN DAY DAM

Mr. MORSE. Mr. President, the conference on the Army civil functions bill has omitted planning funds for John Day Dam on the Columbia River. This great multipurpose project which would stretch from the Oregon to the Washington shore would be among the greatest power producers in the Pacific Northwest, capable of generating over 1 million kilowatts.

In the Public Works Committee I proposed an amendment to Columbia Basin fund authorization so as to permit appropriations this year for planning on the John Day project. That amendment was adopted. Subsequently the engineers found that they could transfer authorizations from other projects to John Day, making the additional authorization unnecessary.

The RECORD will show that I entered into an understanding on the floor of the Senate with my colleague, the distinguished senior Senator from Oregon [Mr. CORDON], in regard to the program for the transfer of an authorization from other projects to John Day, and on the basis of that understanding I agree to withdraw the amendment from the bill

The conferees are in complete agreement that the funds appropriated herein are to be allocated as follows:

	Construc- tion	Plan- ning
"Alabama:		
Fort Gaines lock and dam.....		\$20,000
Demopolis lock and dam.....	\$3,400,000	
Jackson lock and dam.....		40,000
Warrior lock and dam.....	1,800,000	
Alaska:		
Kodiak Harbor.....	109,900	
Arizona:		
Painted Rock Reservoir.....		100,000
Arkansas:		
Arkansas River and tribu- taries, Arkansas and Oklahoma (bank stabili- zation and channel recti- fication).....	3,000,000	
Blakely Mountain Reser- voir.....	1,600,000	
Little Missouri River below Murfreesboro, in- cluding Ozan Creek.....	535,000	
Red River levees and bank stabilization below Deni- son Dam, Ark., Tex., and La.....	450,000	
California:		
Cherry Valley Reservoir.....	1,000,000	
Crescent City Harbor.....	500,000	
Folsom Dam.....	14,500,000	
Humboldt Harbor.....	265,000	
Los Angeles County drain- age area.....	8,500,000	
Merced County stream group.....	320,000	
Redondo Beach Harbor.....		50,000
Russian River Reservoir and Channel.....		150,000
Sacramento River.....	3,000,000	
San Antonio Reservoir.....	2,300,000	
San Antonio and Chino Creeks.....		80,000
San Joaquin River and tributaries.....		40,000
Whittier Narrows Reser- voir.....	3,500,000	
Colorado:		
Chatfield Reservoir.....		30,000
Connecticut:		
Hartford (Folly Brook sec- tion).....		25,000
Housatonic River.....	400,000	
Jennings Beach.....	14,700	
District of Columbia:		
Anacostia River, D. C. and Md.....	900,000	
Florida:		
Central and southern Florida.....	4,250,000	
Jim Woodruff lock and dam, Florida and Geor- gia.....	5,000,000	
Georgia:		
Buford Dam.....	9,300,000	
Clark Hill Reservoir, Ga. and S. C.....	2,170,000	
Hartwell Reservoir, Ga. and S. C.....		150,000
Hawaii:		
Kawaihae Harbor.....		50,000
Idaho:		
Albeni Falls Reservoir.....	3,800,000	
Columbia River local pro- tection, Idaho, Oregon, Washington, Wyoming, Utah, Nevada, and Mont- ana.....		80,000
Lucky Peak Reservoir.....	1,750,000	
Illinois:		
Beardstown.....	400,000	
Calumet Harbor, Ill. and Ind.....	180,000	
Carlyle Reservoir.....		50,000
Clear Creek Drainage and Levee District.....	200,000	
Degognia and Fountain Bluff Levee and Drain- age District.....	550,000	
East St. Louis and vicinity Grand Tower Drainage and Levee District.....	650,000	
Illinois Waterway: Calu- met-Sag Channel.....	390,000	
Mississippi River, be- tween Missouri River and Minneapolis, Minn. (exclusive of St. Anthony		40,000

	Construc- tion	Plan- ning		Construc- tion	Plan- ning
Illinois—Continued			North Dakota:		
Falls, Minn., and lock 19 at Keokuk, Iowa, Illinois, Iowa, and Missouri	\$70,000		Garrison Reservoir	\$25,000,000	
North Alexander Drainage and Levee District	505,000		Ohio:		
Preston Drainage and Levee District	175,000		Cleveland Harbor	1,000,000	
Sny Basin		\$60,000	New Cumberland locks and dam, Ohio and West Virginia	1,000,000	
Wood River Drainage and Levee District	345,000		Oklahoma:		
Indiana:			Oklahoma City Floodway	1,650,000	
Greenfield Bayou levee		20,000	Oregon:		
Mansfield Reservoir		70,000	Hills Creek Reservoir		\$125,000
Markland locks and dam, Indiana, Kentucky, and Ohio		40,000	Lookout Point Reservoir	3,000,000	
Vincennes	500,000		McNary lock and dam, Oregon and Washington	24,000,000	
Iowa:			Pendleton		15,000
Coralville Reservoir	1,750,000		The Dalles Dam, Oregon and Washington	36,000,000	
Lock No. 19 at Keokuk	3,200,000		Willamette River, bank protection	300,000	
Missouri River:			Pennsylvania:		
Kansas City to Omaha	3,300,000		Bradford		80,000
Omaha to Sioux City	3,000,000		Johnsonburg	300,000	
Kansas:			Schuylkill River above Fairmount Dam	795,000	
Missouri River agricultural levees, Kansas, Iowa, Missouri, and Nebraska	400,000		Swoyersville-Forty Fort	400,000	
Toronto Reservoir	500,000		Williamsport	500,000	
Wichita and Valley Center	1,800,000		Rhode Island:		
Kentucky:			Woonsocket		25,000
Barbourville	350,000		South Dakota:		
Buckhorn Reservoir		65,000	Fort Randall Reservoir	17,000,000	
Covington	800,000		Oahe Reservoir	9,000,000	
Green River locks and dams 1 and 2	4,800,000		Tennessee:		
Jackson		12,000	Carthage Dam		40,000
Maysville	800,000		Cheatham lock and dam	4,000,000	
Greenup locks and dam, Kentucky and Ohio		50,000	Old Hickory lock and dam	13,750,000	
Pineville	230,000		Texas:		
Louisiana:			Belton Reservoir	1,450,000	
Gulf Intracoastal Waterway (New Orleans District): Plaquemine-Morgan City alternate route	750,000		Dallas Floodway	1,300,000	
Maine:			Ferrell's Bridge Reservoir	750,000	
Portland Harbor	675,000		Fort Worth Floodway	240,000	
Maryland:			Garza-Little Elm Reservoir	3,000,000	
Cumberland, Md., and Ridgely, W. Va.	500,000		Port Aransas-Corpus Christi Waterway	400,000	
Massachusetts:			Texarkana Reservoir	3,300,000	
Adams	560,000		Utah:		
Buffumville Reservoir		25,000	Spanish Fork River		16,000
Michigan:			Virginia:		
Detroit River: Amberstberg Channel		88,000	Norfolk Harbor, Craney Island disposal area	3,000,000	
Minnesota:			Quinby Creek	25,000	
Aitkin	450,000		Washington:		
Duluth-Superior Harbor	300,000		Chief Joseph Dam	27,000,000	
Red River of the North, S. Dak., N. Dak., and Minn.	300,000		Colfax		10,000
St. Anthony Falls extension	1,400,000		Eagle Gorge Reservoir		170,000
Missouri:			West Virginia:		
Missouri River, Kansas City to mouth	2,000,000		Hildebrand lock and dam		40,000
Perry County Drainage and Levee Districts 1, 2, and 3	265,000		Wyoming:		
Table Rock Reservoir, Mo. and Ark.	2,500,000		Greybull		40,000
Montana:			Jackson Hole, Snake River		50,000
Billings		25,000	Local protection projects not requiring specific legislation	300,000	
Fort Peck Dam: Second powerplant		220,000	Snagging and clearing	600,000	
Havre	500,000		Total	301,764,600	2,603,000
Libby Reservoir		46,000	Lower Columbia River fish-sanctuary program	1,000,000	
Nebraska:			Program total, construction general	302,764,600	2,603,000
Gavins Point Reservoir, Nebr. and S. Dak.	11,000,000		Less surplus funds	-5,000,000	
Missouri River (Miners Bend, McCook Lake, and Kenslers Bend to Sioux City), Nebr. and S. Dak.	600,000		Grand total, construction, general	300,267,600*	
Nevada:					
Mathews Canyon Reservoir		40,000			
New Hampshire:					
Otter Brook Reservoir		100,000			
New Jersey:					
New York and New Jersey channels	2,000,000				
New Mexico:					
Chamita Reservoir		175,000			
Rio Grande Floodway	650,000				
New York:					
Allegheny River Reservoir		25,000			
Batavia	300,000				
Corning (Monkey Run)	500,000				
Wellsville		26,000			
North Carolina:					
Intracoastal Waterway between Norfolk, Va., and St. Johns River, Wilmington District					
Fairfield drainage	195,000				

The conferees are in complete accord as to their desire that the total advance contribution of approximately \$2,900,000 of the local interests concerned with the Central and Southern Florida flood-control project be accepted by the Corps of Engineers and utilized at its discretion to carry on construction of the authorized project, and that the State of Florida shall receive credit for said advanced contribution on the total required cash contribution of not to exceed \$29,

The conferees are in complete accord as to their desire that the total advance contribution of approximately \$2,900,000 of the local interests concerned with the Central and Southern Florida flood-control project be accepted by the Corps of Engineers and utilized at its discretion to carry on construction of the authorized project, and that the State of Florida shall receive credit for said advanced contribution on the total required cash contribution of not to exceed \$29,152,000.

The conferees are in complete accord that the funds available for construction, general, shall be obligated in such manner as to maintain the previously approved power schedules at Chief Joseph Dam, Washington; Buford Dam, Georgia; Garrison Dam, North Dakota; and at least the first four units at the Dalles Dam, Oregon and Washington.

The conferees are in complete accord that the funds allocated for the Missouri River, Omaha, Nebraska, to Sioux City, Iowa, are not allocated for any specific locations, but are to be obligated in accordance with a priority established by the Chief of Engineers, based on engineering feasibility.

Amendment No. 5: Reported in disagreement.

Amendment No. 6: Deletes language proposed by the Senate.

Operation and maintenance, general

Amendment No. 7: Reported in disagreement.

Amendment No. 8: Authorizes transfer of not to exceed \$970,000 to the Secretary of the Interior instead of \$900,000 as proposed by the House and \$1,040,000 as proposed by the Senate.

Amendment No. 9: Appropriates \$76,110,000 instead of \$72,660,000 as proposed by the House and \$79,880,000 as proposed by the Senate. The conferees are in agreement that these funds shall be allocated so as to provide the amount necessary for the first year's operations toward the correction of the hazardous channel conditions existing in the Delaware River project from Philadelphia to the sea over a 2-year period and the correction of a similar condition in Savannah Harbor, Georgia.

General expenses

Amendment No. 10: Appropriates \$9,544,000 instead of \$9,288,000 as proposed by the House and \$9,800,000 as proposed by Senate.

Flood control, Mississippi River and tributaries

Amendment No. 11: Appropriates \$45,450,000 instead of \$45,200,000 as proposed by the House and \$45,700,000 as proposed by the Senate. The conferees are in complete agreement that the Corps of Engineers shall use as much of the funds recommended herein as will not seriously impair the continuation of projects provided for in the Budget estimate for the initiation of construction on the auxiliary channels along the Yazoo River below the completed reservoirs.

CANAL ZONE GOVERNMENT

Amendment No. 12: Reported in disagreement.

GENERAL PROVISIONS

Amendment No. 13: Reported in disagreement.

Amendment No. 14: Reported in disagreement.

Amendment No. 15: Changes section number.

Amendment No. 16: Reported in disagreement.

Amendment No. 17: Changes section number.

GLENN DAVIS,
T. MILLETT HAND,
E. A. CEDERBERG,
JOHN TABER,
LOUIS C. RABAUT,
CLARENCE CANNON,

Managers on the Part of the House.

Mr. LONG subsequently said: Mr. President, I enter a motion to reconsider the vote by which the Senate agreed to the conference report on House bill 8367 making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1955, and for other purposes.

Mr. KNOWLAND. Mr. President, I fully understand that the motion is a privileged one, and it relates to the civil functions appropriation bill. I understand that the Senator from Louisiana has made the motion at the request of the office of the Senator from Oregon [Mr. MORSE] who, I understand, expects to be here tomorrow.

Under these circumstances, I certainly have no particular objection to having the motion to reconsider go over 1 day. However, because of the nature of the bill and the importance of getting the major appropriation bills to the President, in-

asmuch as the motion, once entered, becomes a privileged matter, so that any Senator is entitled to call it up, I wish to state that if there is to be a delay of more than 1 day, I shall have to move to call up the motion, at which time, I shall move to have it tabled.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. KNOWLAND. I yield.

Mr. LONG. As the distinguished majority leader knows, the Senator from Oregon is very much interested in one particular item which was deleted from the bill. For my part, I expect to vote for the conference report. However, as a courtesy to the Senator from Oregon I should like to grant him the opportunity to make his presentation on behalf of the motion to reconsider, and to discuss the item in which he is very much interested, and which was deleted by the conferees.

Mr. KNOWLAND. The Senator is entirely within his rights. Of course, the Senator could make his statement whether or not a motion to reconsider was entered. I wish to follow an orderly procedure. In view of the circumstances, I merely wish to serve notice that after tomorrow I shall have to bring the matter to a head.

The PRESIDING OFFICER. The motion will be entered.

TRADE AGREEMENTS

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

Mr. ROBERTSON. Mr. President, last week, I joined with a number of the friends of former Secretary of State Cordell Hull in sending to him a congratulatory telegram on the 20th anniversary of his reciprocal trade agreement program. A memory which I shall always cherish is the fact that I was privileged to know and to work with Secretary Hull from 1934 until 1944 in an effort to break down the barriers of the principal trading nations of the world which were mitigating against the prosperity of all and causing frictions and animosities.

By both inheritance and training Cordell Hull was ideally suited for leadership in the cause of mutually beneficial foreign trade. Nature had endowed him with a fine mind and a courageous heart. As a young man he was a country lawyer in a mountain county of Tennessee where knowledge of human nature counted for as much as knowledge of law. He served in his State legislature, where he learned the fundamentals of lawmaking; he served as captain in the Fourth Regiment, Tennessee Volunteers, in the Spanish-American War, where he learned about military life; he served as a circuit judge, where he gained experience in the administration of law, and then for 22 years he served in the House of Representatives, where he became an expert on the subjects of tariffs and foreign trade. After only 2 years of service in the United States Senate, he accepted appointment in March 1933 as President Roosevelt's Secretary of State, resigning on December 1, 1944.

He entered upon the discharge of his duties as Secretary of State at a time when we were in the midst of our deepest depression and one which was worldwide in effect. He had served in Congress during World War I and no one knew better than he that it was economic rivalries between Germany on the one hand and France and Great Britain on the other that were the primary cause of that war.

Within 1 year after the passage of the Hawley-Smoot tariff in 1930 which was the highest protective tariff in our history and passed by a Republican Congress in the mistaken belief that through the erection of a tariff wall we could isolate ourselves from the further impact of a world depression, 19 nations had adopted retaliatory trade measures, not only against us but against each other. As a student of foreign affairs, Secretary Hull knew that unless a peaceful solution could be found for that problem those trade wars would eventuate in a shooting war in which those nations which felt that they were being denied access to essential raw materials and proper outlets for their finished goods would seek to get both by force.

In other words, Secretary Hull saw as clearly as had his former Chief, Woodrow Wilson, that the stage was set for another worldwide conflict, and one of his first official acts was to set in motion a program which he hoped would prevent it.

That program contemplated a series of executive agreements for which there was a well-established precedent in which the President of the United States could bargain with a foreign country to lower our import duties on certain goods to be shipped to us in return for lowering of the duties on certain goods we desired to ship to it with the further provision that the two nations entering into such an agreement would extend similar tariff concessions to all other nations. In other words, as soon as the major trading nations of the world had entered into reciprocal trade agreements with us the benefits of tariff reductions would be worldwide. That was a soundly conceived plan to eliminate the principal cause of all modern wars but unfortunately before the plan could become effective a ruthless, ambition-crazed dictator gained control over Germany, convinced that he could gain more material benefit for his nation by force than by negotiation. That decision of Hitler to export soldiers and import booty started World War II.

Before the Hull trade program could be made effective, World War II had disrupted all world trade. And our ally in that war, the Soviet Union, which shared so liberally not only in lend-lease but in UNRRA as well, turned against us soon after the war was over, with the result that today she dominates the eastern half of Germany and a number of border States between Germany and Russia commonly called satellite States and to all intent and purposes she dominates China and the northern part of Korea.

The Communists now control 800 million people and a large segment of the

former free trading area of the world—an area, I may add, on which Western Europe had once relied heavily for its food supply.

To make up for the food and other goods which Western Europe had previously secured from what is now behind the Iron Curtain we have lavishly poured out in loans and gifts billions of dollars. The total that has been actually spent in that behalf since the end of World War II exceeds \$40 billion and the total appropriated, which in more recent years has included military assistance, has exceeded \$60 billion and the end is not in sight.

But during the last 2 years economic assistance which has provided to our allies American dollars with which to buy food and other supplies from us has been measurably curtailed. In the pending request for foreign aid only a relatively small amount is included for economic assistance and in both branches of the Congress there is a strong sentiment against any continuation of that type of aid. Ever since the end of World War II our exports have been running at a high level but have usually exceeded imports by approximately \$5 billion a year. And duty-free imports have accounted for over one-half of the total. For instance, in 1947 when our exports amounted to \$14,252,285,000 of which \$3,130,885,000 were agricultural products, our imports amounted to only \$5,643,345,000 of which \$3,431,671,000 or 60.8 percent entered free of duty. In other words, in the Hawley-Smoot tariff which is still the law, except where modified by a reciprocal trade agreement, items that entered free of duty were placed on the free list in the Hawley-Smoot Tariff Act and have been on the free list every since. That includes, incidentally, muzzle-loading shotguns, but if an American sportsman wanted a breech-loading foreign shotgun he paid a duty of 65 percent plus transportation charges unless that rate was lowered by a reciprocal trade agreement.

Mr. GORE. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield.

Mr. GORE. Will the Senator indicate the logic which, in his opinion, makes the difference between the treatment of a breech-loading shotgun and a muzzle-loading shotgun?

Mr. ROBERTSON. I assume it was considered that if anyone was so backward as still to shoot a muzzle-loading gun, there was no need to bother about taxing him.

So, Mr. President, as I have indicated, our exports to a large extent have been financed since World War II by money we have either loaned with little hope of repayment or given away. Everyone concedes that is not a sound basis on which to finance our exports although it is equally as well conceded that export markets are highly essential to our own prosperity. They are essential to such heavy industries as motor vehicles, electrical equipment, machine tools, and so forth. They are even more essential to such farm crops as tobacco and cotton

each of which on the basis of present production needs foreign outlets for 40 percent of the total production and to a less extent for wheat, rice, lard, vegetable oils, fresh and dried fruits, and so forth.

All economists know and all manufacturers and all farmers ought to know the truth so simply stated in his last public address by President McKinley at Buffalo that we cannot hope to continue to sell abroad unless we buy from abroad. There is only one currency which any American producer is willing to accept—the American dollar and, therefore, those who desire to buy from us must acquire those dollars. Aside from Government loans and gifts, loans of international bankers, tourists, and services such as shipping, for instance, the principal means by which a foreign nation can acquire American dollars with which to buy American goods is to sell to us an equivalent amount of its own goods. But for an unfortunate stockmarket gambling spree, 1929 would have gone down in history as one of our best business years. In that year exports and imports were substantially in balance with no complaint that any efficient American industry was being put out of business by the competition of foreign goods. Last year our exports amounted to \$15,627,800,000 and our imports \$10,777,600,000, a very considerable portion of which were noncompetitive goods on the free list, such as raw rubber, tin, and other strategic metals which we either do not produce or not in adequate quantities, sugar, coffee, spices, tropical fruits, and so forth. Since the curtailment of foreign aid for rehabilitation there has been a gradual drop in the export of farm products. Normally, agricultural products constitute from 25 to 30 percent of our total exports but last year they dropped to 18.2 percent and while figures, of course, are not available for the current year, I understand that the percentage for 1954 will be still lower.

Mr. GORE. Mr. President, will the Senator from Virginia yield further?

Mr. ROBERTSON. I yield.

Mr. GORE. The distinguished junior Senator from Virginia, who has been for years, a leader, first, in the House of Representatives, and, second, in the Senate, in behalf of a progressive foreign-trade program, has just used a word which I desire to recall to his attention. The distinguished Senator said there has been a gradual drop in foreign exports. Will not the Senator agree with me that it has been a precipitous drop?

Mr. ROBERTSON. It started as a gradual drop, and then became precipitous. Last year, when we cut off so much rehabilitation aid, it went from 25 percent to 18.2 percent. I do not have the figures for the current year, but my best estimate is that it will be below the figures for last year. Everyone knows that our surplus supplies of cotton and wheat are piling up, and we do not know what to do with them.

We have billions of dollars invested in surplus farm products but as yet no satisfactory solution for their disposal. We

face an even more serious problem in maintaining a satisfactory standard of living for the 20 percent of our population dependent upon agriculture because if we move from a rigid price support for certain basic crops to a flexible support the price will undoubtedly drop and if we continue a rigid support price restrictions on production and upon the use of land taken out of crop-supported production will eventually become so drastic that it would spell stabilized poverty for the average small farmer. The only logical and satisfactory answer to that farm problem is export markets for surplus production. Thus we see three very definite angles to a program of mutually beneficial foreign trade:

First. If the free nations of the world which must trade to live cannot trade with us they will trade with the Communists and the more they trade with the Communists the faster the Soviet superiority in military strength over the free nations of the world will be achieved.

Second. If the free nations of the world which must export to live cannot trade with us they will not continue to be our friends and allies nor are they likely to be friends and allies of each other. In other words, the unity of the free world so essential for the prevention of another world war will be undermined.

Third. If our exports be drastically curtailed because those desiring to buy from us cannot procure American dollars we will gradually move into a cycle of restricted economy which will measurably curtail on the one hand the revenue collected by the Government in taxes and, on the other, measurably increase the burden of a top-heavy national debt on which the service charges alone now amount to approximately \$2 billion dollars more than the entire cost of the Government when I entered the House in March of 1933.

Basically, those are the reasons why Secretary Cordell Hull proposed the first reciprocal trade-agreement act and why through succeeding years the program has had my active support. Basically, they are the reasons why in submitting to the Congress the Randall Report last March President Eisenhower said:

If we fail in our trade policy, we may fail in all. Our domestic employment, our standard of living, our security, and the solidarity of the free world all are involved.

Upon the receipt of that report and Presidential recommendation my good friend and distinguished former colleague, Representative KEAN, of New Jersey, introduced last April a bill to implement the President's recommendations. One would hardly think, with the background that I have outlined, that when President Eisenhower, in this respect, asked for bread the leaders of his own party would vote to give him a stone. But that is exactly what the present bill represents. It is a pretense—an empty gesture, the only virtue of which consists in the fact that the Congress has not completely repudiated previous assurances of international cooperation and completely repudiated the request of the President for the greatest and most

prosperous trading Nation in the world to make a worthwhile contribution to freer world trade.

But, of course, those of us who have been in this fight since 1934 were not as much surprised as perhaps the average layman at the action that has been taken because we know that eight times since the inauguration of the program it has been necessary to fight as well as vote for renewal of the act. It has encountered staff opposition on each renewal date not only because of a small handful of inefficient producers who want to operate under the sheltering wing of their Government but also because others have been attracted to their side by fears that at some time in the future they too might suffer if we encourage the international exchange of goods and services. These opponents, led by the American Tariff League, have employed shrewd economists and lobbyists who have used tricky figures about the effect of imports to secure the adoption of what they have called perfecting but which were in fact crippling amendments.

Renewal of the act in 1945 marked the high point of this country's liberal trade program. In that year, following a vigorous political fight in both houses of Congress, the President's power to reduce tariff duties was increased so that he could cut rates to 50 percent of their level on January 1, 1945. In 1947, however, the 80th Congress negotiated an agreement with the Department of State whereby the Department agreed that all new trade agreements would contain escape clauses and in that same year the Congress enacted a peril point provision under which the President, before lowering any duty in a trade agreement, must first secure from the Tariff Commission a finding as to the point beyond which a tariff duty could not be lowered without causing injury or threat of injury. Then, if the President decided to reduce a duty beyond the theoretical point named by the Commission he was required to notify the Ways and Means Committee of the House and the Finance Committee of the Senate of his intention and his reasons for his action, and to proceed at his own peril. These changes, of course, left the Trade Agreement Authority but a shadow of its former self because of our reduced bargaining power in seeking concessions from other nations.

When the Democrats returned to power in the 81st Congress one of the first things they did was to repeal the peril point provision and restore the Trade Agreements Act to its original form but a few years later, in 1951, Congress reinstated the peril point provision and made the escape clause statutory. The law has remained in this form ever since.

In spite of these hamstringing provisions, we made progress by negotiating the Geneva Agreement on Tariffs and Trade on a broad multilateral basis in 1947, and this agreement was broadened by two subsequent sets of negotiations at Annecy and at Torquay. After the election of President Eisenhower in 1952, those of us who had supported Reciprocal Trade were encouraged because all

his public statements on the subject of foreign trade stressed the need for a more liberal policy. It became evident in 1953, however, that the Republican Party was too widely split to permit anything better than a 1-year renewal of the present act. It was decided to postpone action pending a careful study of the entire range of economic foreign policy and the Renewal Act of 1953 contained a provision setting up a 17-man Commission with instruction to make such a study and arrive at as unanimous a set of recommendations as possible.

His Commission, since known as the Randall Commission, because its Chairman was Mr. Clarence B. Randall, chairman of the board of the Inland Steel Corp., consisted of 5 Senators, 5 Members of the House of Representatives, and 7 public members appointed by the President. It was a truly bipartisan body, consisting not only of both Republicans and Democrats, but also of persons who genuinely adhered to protectionist philosophy as well as those who believed in more liberalized trade.

The Commission was organized last fall, and through the winter months worked assiduously to hammer out as broad an agreement as possible. It was still at work in January, when the President delivered his state of the Union message, and although he said bluntly: "The free world can no longer afford the kinds of arbitrary restraint on trade that have continued ever since the war," President Eisenhower properly deferred making detailed recommendations until he had received the Randall Commission report.

When that report was made, although it contained dissents and qualifying opinions on many subjects, it did delineate a substantial area of agreement with regard to commercial policy. Fourteen of the seventeen members—all except Representatives REED and SIMPSON and my distinguished colleague the Senator from Colorado were in agreement and the Senator from Colorado did not sign the minority report of the two Representatives but simply indicated that he was withholding judgment because as chairman of the Finance Committee he thought it best not to bind himself in advance of hearings and deliberations by his committee. Those who signed the majority report included distinguished Senators with protectionist records who indicated they were willing to go that far, as well as other Members of this body who had advocated more liberal trade policies but who indicated they felt half a loaf was better than none at all.

The recommendations called for extending the trade agreement powers of the President for another 3 years and for granting additional powers to lower duties gradually by 5 percent a year over a period of 3 years. In cases where imports are negligible the Commission recommended that the President be empowered to reduce duties by 50 percent; and in instances where existing duties are in excess of 50 percent he would be given power to reduce them to that ceiling. Certainly no one who knows anything at all about the subject of for-

eign trade could say that these are anything other than very modest recommendations.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. KENNEDY. To consider an industry like the fishing industry, if the tariffs on fish were lowered, Canada, and especially Newfoundland, would have additional dollars with which to buy American goods. Thus, those industries in the United States which export automobiles and other products to Newfoundland would flourish and would be enabled to employ additional persons.

Would the total number of Americans who would be working be any different when we balance the additional employees who might be put to work because of increased American exports resulting from the increased dollar balances, against the loss of jobs in the United States occasioned by a loss of a portion of the domestic market? What is the Senator's opinion with respect to that question?

Mr. ROBERTSON. That involves an appraisal of the volume and of the effect of competition. The production of seafood is a relatively small item in the \$230 billion worth of goods which the American people bought last year.

Mr. KENNEDY. Yes. I know that.

Mr. ROBERTSON. I shall outline my idea as I proceed. We can have free trade. We can have imports which will not seriously hurt or hamper an efficient American industry. I plan to discuss particularly the situation with respect to Japan, which can send us many items which are now virtually excluded, but which would not be competitive and would not bulk large in our total consumption. However, the dollar exchange would mean much to Japan in connection with the buying of raw cotton and other articles which Japan requires in order to manufacture the goods required for her peacetime needs.

I can assure the Senator from Massachusetts that I am quite well aware of the problem of competition in cod fillets and other fish products, because, while there are no cod in Virginia waters, there are other types of fish and oysters. I know also that the fisheries on the west coast are worried about tuna and similar kinds of fish.

Certainly no administration—not the present one or any which I would support in lieu of the present one—is simply going to use the power I advocate in the Kean bill, and carry out the recommendations of the Randall Commission, to cut the very foundation underlying some of the small industries of the Nation. I feel that the fears of the Massachusetts fisheries industry about the recommendations of the Randall Commission are unfounded.

Mr. KENNEDY. The question that concerns me is whether there would be a net addition of jobs in the United States. I would appreciate it if the Senator would express an opinion on the question.

Mr. ROBERTSON. It naturally follows that those who sell to us will receive dollars in exchange. The dollars

cannot be spent anywhere except in the United States. Either they will be spent by the nation which requires them, or they will be traded to some other nation, but eventually they will return to the United States.

There is the possibility that we might permit a nation like Finland to send us fish, plywood, and some other products in which they excel, in order to obtain dollars, for which they would buy our automobiles, electrical equipment, or machine tools. That simply adds up to an overall equalized economy. There would be many instances when the dollars which would go to a small nation like Finland would come back to the United States and be of greater help than would be the exclusion of the products of her industries which were in competition.

So it is a rather technical problem, which must be very widely and carefully handled. But the point I wish to emphasize is this: First, as the richest and most powerful Nation in the world, although we are asking the free nations of the world to stick together, and telling them that we are a Christian Nation, which believes in doing unto others as we would have them do unto us, and although we are in the most vulnerable position we have ever been in in the matter of selling the ideas of democracy and Christianity abroad, we are saying that we will not let other nations have access to our markets, which they so urgently need.

All economists are agreed that there never has been or never will be a time when our domestic market cannot absorb by way of imports as much as 5 percent of the domestic consumption, provided, of course, they are properly distributed. That is the point I have just mentioned. Our imports should not be centered in one spot, but should be spread out.

I should be prepared to prove, if I had the time, that so far as domestic production is concerned, 95 percent of a good market in the United States is far better than 100 percent of a poor market. If we shut off world trade, or if the other free nations of the world cut one another's throats, we shall be, before we know it, in another worldwide depression. Then our markets will be poor. It is better to have 95 percent of a good market than 100 percent of a poor one.

We know that in the worldwide depression during 1930 and 1931, prices went down, down, and down. The United States had shut out practically all imports under the Hawley-Smoot tariff. We had the whole American market, but we also had the greatest depression in our history.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. GORE. The Senator has given an able, lucid analysis of the paradox we face. In reference to the question of the able junior Senator from Massachusetts [Mr. KENNEDY], will not the distinguished Senator from Virginia point out that the small liberalization of the Reciprocal Trade Agreements Act proposed in the amendment which I, to-

gether with other Senators, will offer, is permissive; that there is no mandatory requirement that an agreement be entered into; and that before an agreement could be entered into, any industry in an area represented by the distinguished Senator from Virginia or by any other Senator would have the protection of the escape clause and the peril point provisions of the present law?

Mr. ROBERTSON. The Senator from Tennessee knows, of course, that in signing the Randall Commission report, the Democratic Senators, the Senator from Georgia [Mr. GEORGE] and the Senator from Virginia [Mr. BYRD], said that the recommendations were very modest ones, and the distinguished chairman of the Committee on Finance did not say they were bad; he merely said, "I will reserve judgment and wait until this comes officially before my committee."

Mr. GORE. I believe the distinguished Senator said he wanted to study it some more.

Mr. ROBERTSON. I admire the objective attitude which the Senator took in that instance.

Mr. President, as I was saying, if we continue to make progress in promoting freer world trade, we will signal to the rest of the free world, and the Communist world as well, that the United States is united on foreign trade policy. The direction in which the United States moves in this regard is as important as the actual degree of reductions that are made. For, Mr. President, it is a condition we face, and not merely a theory.

The statement made by the President in submitting the report of the Randall Commission was, as I have indicated, in accord with the philosophy to which I have adhered throughout my adult life.

I digress, Mr. President, to say that when I was a boy I used to attend public gatherings. I was always interested in politics. All I can remember about the speeches which Members of Congress from my district made is that they were about the tariff. So I grew up under the Democratic belief in low tariffs and the Republican belief in high tariffs, and the saying, "If you do not believe in one or the other, what makes you what you are?" I am still a believer in the philosophy of Thomas Jefferson, Grover Cleveland, Woodrow Wilson, and Cordell Hull, that the best policy for our Nation is not a high, exclusion tariff, but the type of modest protection which an infant industry, or one competing with far lower costs of production abroad, should have in order that such an industry may pay the American standard of wages, and that we may maintain our American standard of living, which, of course, as we may as well admit, is the highest in the world. There are many people in the world who are jealous of that standard, and do not give us credit for the fact that our 48 States have been trading with each other, and that the American people work hard.

I may add that I have a friend who was architect for several large airports in France, and he discovered that the wages of French draftsmen were a third less than what he was paying his draftsmen in New York City. However, he found that it took more than 3 French

draftsmen to do what 1 American draftsman did in New York City. The French draftsmen did not go to work until 9 o'clock in the morning. They wanted to cease their labors between 12 o'clock and 2 o'clock. During those 2 hours they ate and drank, and then had to take a little siesta. Then the employees came back for a few hours in the afternoon very much slowed down, on a sort of half-time basis. At night the eating and drinking would start all over again. When they got up the next morning they were all upset, and all they could take for breakfast was a drink of black coffee and a French roll. Every Senator knows that that is not an adequate breakfast for a workingman and that everyone engaged in hard work must have more to eat than that. Of course, there must also be considered the fact that the French have not had available to them the great capital which we have had available in this country. We have learned how to invest capital and achieve mass production. Through our skill in mass production we have achieved a high standard of living. The luxuries of the 19th century have become the necessities of the 20th century. There is no question that we are far ahead of other nations of the world in that respect. People in other countries have no right to be as jealous of us as they are; but the fact remains that they are jealous, and I want to try to remove as much as that jealousy as can be removed. I would propose to them, "You produce the goods we need, and if they will not supplant our production we will let you export such products to us on a fair basis. We will do some business with you on a live-and-let-live basis."

I have not believed that the United States should, or could, adopt a policy of outright free trade. I realize that there are certain industries in this Nation which cannot pay our standard of wages and successfully compete with the far lower cost of production of competitive foreign goods, and, of course, I wish to maintain the standard of living of the American workingman.

I also recognize that we have certain domestic industries which produce strategic war materials which must be kept in operation for any emergency, even though it be necessary to subsidize their operations by means of a protective tariff. I also am frank enough to admit that some of the countries with which we have, in good faith, negotiated trade agreements in which barriers to our markets were lowered in return for compensatory action on their part, have resorted to currency manipulations, quotas, and other restrictive devices to renege on their contracts.

I also am fair enough to admit that if we are to protect certain large segments of our efficient domestic industry from unfair and possibly dangerous competition we cannot overnight bring our imports into balance with our exports or grant to nations which desire to ship goods to us tariff reductions on a scale which they may desire. On the other hand, we undoubtedly have, as the Randall Commission report indicates, many duties that are high restrictive, and it is my belief that in the long run such re-

strictions do not operate for our own best interests. I believe that our country would be richer and that our people would be happier if we were to encourage those lines of production in which we have the greatest advantages in comparison with other countries and, instead of subsidizing production in lines in which we are at a disadvantage to encourage their shift to other lines.

I believe that we can and should move in the direction of freer trade without going all the way to free trade. I am convinced that it would be to the advantage of the United States to follow a policy of low rather than high import duties. And never in our history has there been a time when the advantages to us of that course were more apparent.

Our very survival as a free nation depends upon the degree of unity the free people of the world can develop on the economic front. At this very moment Soviet Russia is making serious trade threats against us. Many trade agreements already have been negotiated between Russia and Western Europe and between Red China and other countries of the free world. Attractive trade offers are being made, gold is being used as bait, and consumer goods are being dangled before the eyes of those who are being denied access to the United States market.

I refer particularly to Japan, a country that is of vital importance to us as a bulwark of the free world in Asia. Japan does not want to trade with the Communist world, but Japan must trade with someone. Japan has been our best customer for raw cotton, but she cannot buy cotton without dollars. The Japanese have been getting dollars by selling supplies for use in the war in Korea, but that source is ending, and an acute economic problem is being created.

Japan would prefer to trade with us if she can. The people of that nation, by adoption of the constitution we recommended and in other ways, have shown their willingness to stand shoulder to shoulder with us in opposition to communism.

Mr. GORE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Tennessee.

Mr. GORE. The Senator has stated that Japan would trade with other countries if she must. Must she trade?

Mr. ROBERTSON. Japan has a population of 80 million, and has less than 1 acre of arable land to each person to feed those 80 million. We in Virginia think it takes 4 acres to feed a cow, and we have pretty good ground. Japan cannot live from her own farm production. The only way she can live is to export in order to obtain food for her people. The Japanese are hard workers. While I was in Japan, I observed on a dock at Osaka 4 stevedores who looked to weigh not more than 125 or 130 pounds each. They were unloading metal cans of what looked like tar. I was told that each one of those cans weighed 600 pounds. Four men with grappling hooks would chant and swing and move the can about a foot. Then they would chant and swing again. I

do not know of any 4 American men who would carry 600 pounds, I care not how big they might be. The Japanese will work.

It has been stated that the Japanese are great imitators. Perhaps they are, but I think they have passed the point of mere imitation. They are skillful and are hard workers. At the present time the Japanese are our friends. Of course, there are some Communists in Japan, but the Japanese adopted a constitution which we recommended. The Japanese certainly liked General MacArthur; there can be no doubt about that. Even though General MacArthur was the commanding general of an occupying force, and such a general is commonly disliked by the people, General MacArthur was liked by the Japanese.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Louisiana.

Mr. LONG. The Senator from Virginia has stated that there are Communists in Japan, but I am sure he knows that Communists are not present in Japan in as high a proportion as in some of the countries that have benefited the most from our foreign-aid dollars.

Mr. ROBERTSON. I dislike to mention France again, but the Senator from Louisiana has raised the question. I shall proceed with my statement on reciprocal trade.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Alabama.

Mr. SPARKMAN. One of the great problems we have had has been to keep Japan oriented to the West. Her natural trading area is in China and southeast Asia. One of the great difficulties we have had since entering into a peace treaty with Japan is to work out some kind of trade relationship with her. Will it be possible to do that unless the Reciprocal Trade Agreements Act is continued?

Mr. ROBERTSON. The Randall Commission said the President's hands were tied with respect to many items Japan wished to sell to us, could sell to us, and which we could very profitably purchase, if the President had just a little more power to reduce the duties on those items. However, he does not have such power.

When we consider that we have an annual income of \$350 billion or more, and that Japan, with only half our population, does not have one-tenth that income, we must remember that what would be relatively small to us would be as big to Japan as Fujiyama.

Mr. MILLIKIN. Or Pikes Peak.

Mr. ROBERTSON. Fujiyama is not so high as Pikes Peak, but has more snow on it.

Such trade looms very large in the Japanese economy, and means a great deal to Japan. We cannot stimulate that trade, we cannot hold Japan's friendship, we cannot hold Japan as our essential ally in the Pacific, unless we give the President of the United States the kind of power the Randall Commis-

sion has recommended that he have. The President is not given such power under either the pending bill or the existing law.

Mr. SPARKMAN. Mr. President, does not the Senator from Virginia feel that one of the most important things ahead of us, certainly in the next few years, is to keep Japan facing the West, friendly to the West, in order to have Japan serve as a barrier against the onrush of communism in that area of the world?

Mr. ROBERTSON. I am sure no one in the United States has forgotten what tough soldiers the Japanese were. Our troops had to fight them; and in Guadalcanal and elsewhere, the Japanese troops pushed around our troops for quite a while. At times, the situation was touch and go. The people of Japan have many of the same qualities the people of the United States have. This time the people of Japan will be our friends. In almost any part of the world, there is no firmer opposition to communism than there is in Japan, because, entirely aside from communism itself, Russia has been the traditional enemy of Japan.

Mr. SPARKMAN. Mr. President, if the Senator from Virginia will yield once more—and then I shall not impose further upon him—let me state that the distinguished junior Senator from Virginia was for approximately 12 or 14 years a member of the Ways and Means Committee of the House of Representatives, and he served there during the early stages of the Reciprocal Trade Agreements Act, and during a number of years in which the act has been continued. Let me ask him whether in his opinion the Reciprocal Trade Agreements Act has served a good purpose for the United States.

Mr. ROBERTSON. It has, insofar as it has been permitted to operate. However, before we could carry out the Hull theory of having the major nations brought into the program, with the most-favored-nation provision written into each treaty, so that when one nation gave us a concession and when we gave it a concession, the same concession would go to all other nations, the war in Europe ensued. If that arrangement could have been worked out before Hitler began to move, in 1938, the situation would have been different. However, I must admit that the results were somewhat disappointing, because not a sufficient number of nations participated and the program was not adequately established before the war in Europe began and broke up our trade program.

When the war was over, so many of the nations of Europe were bankrupt that the United States spent billions of dollars in helping put them on their feet. That assistance on our part has been most effective, for as of today the industrial production of the European countries is 40 percent in excess of their prewar production, and their agricultural production is 20 percent in excess of their prewar production. Today, those nations wish to increase their trade in order to survive.

Mr. GORE. Mr. President, will the Senator from Virginia yield to me?

The **PRESIDING OFFICER** (Mr. **GOLDWATER** in the chair). Does the Senator from Virginia yield to the Senator from Tennessee?

Mr. **ROBERTSON**. I yield.

Mr. **GORE**. I should like to point out that in connection with the Japanese problem, an amendment I will call up tomorrow contains a special provision regarding Japan. That provision was recommended by the Randall Commission and by the President. It relates to multilateral agreements.

I desire to call the attention of the Senator from Virginia to my belief that we do not wish to have strictly bilateral trade with Japan. We do not wish all of Japan's industrial products to come to the United States. After all, the natural outlet for the products of Japanese industry is southeast Asia. So if we work out a 3-way or 4-way or 5-way or many other multilateral ways of building Japanese trade and United States trade, the United States will profit immensely. In that respect, even though the 1-year extension would be limited thereby, it also would fall far short of the Randall Commission's recommendation with respect to Japan.

Mr. **ROBERTSON**. The Senator from Tennessee is eminently correct.

At this time we have, I believe, 30 general trade agreements and 12 bilateral trade agreements. We do not have any at this time with any country behind the Iron Curtain. We would not expect merely a bilateral agreement with Japan. The agreement with Japan will have to be some type of multilateral agreement, under which we would sell cotton to Japan and Japan would use the cotton to make piece cloth, and would sell the cloth in southeast Asia to the countries that are still free; and we would be paid from southeast Asia, in rubber or tin or other products we need. It all adds up to a cooperative effort to help each other.

Mr. President, Japan, with about half as large a population as that of the United States, has less than 1 acre of arable land to produce food for each person, whereas we allocate 4 acres to feed 1 cow. So, when we seem to be placing obstacles in the way of Japan's trade with the free world, we not only create an economic problem, but we also promote anti-American sentiment which did not exist even during the difficult occupation period.

The plain fact is that Japan must export or she will die economically. If we exclude her goods from our markets, as do the countries of Western Europe, she cannot remain in the trade orbit of the free world, but will be forced in the direction of the Communist bloc.

The reduction of trade barriers thus becomes an important weapon in the cold war. We have done a good job in preventing strategic materials from reaching countries behind the Iron Curtain. But we have done a poor job in encouraging trade among the countries of the free world and between those countries and ourselves.

When the trade-agreements program was inaugurated, 20 years ago, the primary purpose was to stimulate exports,

which had dwindled to a mere trickle during the dark days of the great depression. Our goal was to induce other countries to lower their barriers against our commerce, in return for the selective lowering of United States tariff duties.

Today the need is different. It is not to stimulate United States exports, which are in wide demand, but to stimulate United States imports, which will enable those who want our goods to earn the dollars with which to pay for them.

The recommendations of the Randall Commission, as incorporated in the President's March 30 message, proposed a modest program, but one moving in the right direction. The message called for special action with reference to Japan. These recommendations, if enacted into law, would make it possible for the President to encourage the importation of many products which do not presently enter this country at all, or which enter in negligible quantities. These would not be highly competitive imports, yet they might become important to exporters abroad. Preliminary studies have shown there are hundreds, if not several thousands of such items. The President could thus be highly selective in lowering duties on commodities, imports of which are very small in comparison with production in the United States.

I would not favor further tariff concessions now for imports which account for a substantial proportion of the domestic market, and which already have made things difficult for our producers. But it is not necessary to depress such industries further in order to stimulate imports and hold together the nations of the free world. We can block the Russian trade invasion of the markets of the free world by guaranteeing even a small fraction of the United States markets for the goods in which our past and potential allies specialize or in the production of which they could specialize if given half a chance to do so.

The ingredients for success in the present world struggle are imagination, courage, and bold new thinking, coupled with firm adherence to the fundamental principles on which our Republic was founded. We shall not halt the spread of communism by military action alone or by merely urging the other countries of the free world to have no truck with the Communists. We must offer something positive.

We are a very large country. Most of the other nations of the free world are small, by comparison. Whatever we do has a much greater effect upon them than it has upon us. Thus, a very moderate increase in the foreign trade of the United States may spell the difference between prosperity and despair in other countries. For example, a given increase in trade can have from 10 to 15 times the effect upon France than it has upon us.

But we must not underestimate the ultimate effect upon us of the choice we make in deciding to stimulate or to discourage our international trade. A century ago the British saw clearly that it was necessary for their very existence to import food and other raw materials.

They became a leading world power largely on the basis of strength built by foreign trade. Our own interest is not quite so self-evident. Our resources are so great and so varied that we do not have to export or die. Nevertheless, unless we stimulate trade among the other nations of the free world, thereby enabling them to survive, we shall make our own survival more difficult.

That is what President Eisenhower pointed out in his March 30 message. Helping Western Europe and Asia, by a program of trade, rather than direct aid, to avoid going Communist, is not international "do-good-ism." It is ordinary, simple, commonsense for us to take this course to promote our own security and protect our domestic employment and standard of living.

As I have said, the pending bill is an empty gesture. The bill requested by the President was the Kean bill. That is the bill I had hoped that the House would pass and send to us. That is the bill I had hoped that our Senate Finance Committee would recommend to us. That is the bill for which I intend to vote when it is offered from the floor as a substitute, by the Senator from Tennessee [Mr. **GORE**].

But should that substitute be voted down, I intend to vote for the pending bill, preferring a 1-year extension of the present inadequate law to no extension at all, and with the firm belief that if the Democrats organize the House in the 84th Congress, they will conduct adequate hearings and then will favorably report and pass a bill that will at least go as far as the one proposed by Representative **KEAN**, last April.

THE PLEDGE OF ALLEGIANCE TO THE FLAG

Mr. **FERGUSON**. Mr. President, the verbal manifestation of an American's loyalty and patriotism is the pledge of allegiance to our flag. Recognizing that the pledge did not specifically acknowledge that we are a people who do believe in and want our Government to operate under divine guidance, I introduced in the Senate a resolution to add the words which forever, I hope, will be on the lips of Americans. Representatives **OAKMAN** and **RABAUT**, of Michigan, and others, introduced similar measures in the House. These words, "under God," are at this moment officially a part of the pledge of allegiance.

It gives me a genuine and real thrill to know that this very day these words of spiritual recognition are being uttered throughout the length and breadth of this great and free Nation of ours.

In its new form, the pledge of allegiance to the flag now reads:

I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

For several weeks, the American Legion has been conducting a broad and successful drive throughout the entire United States to encourage all of our people to fly the Stars and Stripes on all

patriotic occasions, particularly on Flag Day, June 14, and on Independence Day, July 4.

As a part of this worthy effort, I had the honor and distinction of leading a group of my distinguished colleagues from the Senate and the House of Representatives in first stating the pledge of allegiance with the words "under God" in ceremonies especially arranged by the national headquarters of the American Legion, through Mr. Edward McGinnis, the former Sergeant at Arms of the Senate.

This colorful ceremony on the morning of June 14 was carried on the Columbia Broadcasting System television network throughout the entire Nation. I include, for the RECORD, the script of this program.

There being no objection, the script was ordered to be printed in the RECORD, as follows:

FLAG DAY CEREMONY ON THE CBS TELEVISION MORNING SHOW, JUNE 14, 1954

Mr. CRONKITE. Way back when—remember when American flags fluttered from every home on special holidays? It was a wonderful sight—and we hope the tradition will be begun again. And today—Flag Day, 1954—the American Legion—along with millions of other Americans—are hoping to revive that old custom with "new glory for Old Glory." Right now in Washington, D. C.—175 years from the official adoption of the Stars and Stripes by the Continental Congress—top leaders in the House and Senate are standing by to witness a stirring event: The official raising of the national colors over the Capitol on Flag Day. The flag—which we'll see in a moment—is the one recently presented to Vice President Nixon by the American Legion. And standing by to describe the colorful ceremony is CBS television correspondent, Ron Cochran.

Mr. COCHRAN. Here are the Members of Congress assembled for this special flag-raising ceremony this morning: Senator STYLES BRIDGES, of New Hampshire, President pro tempore of the Senate; Senator WILLIAM KNOWLAND, of California, the Senate majority leader; Senator HOMER FERGUSON, of Michigan; Senator LYNDON JOHNSON, of Texas, Democratic leader of the Senate; Senator EARLE CLEMENTS, of Kentucky, Senate minority whip; Representative LESLIE ARNOLD, of Illinois, House majority whip; and Representative GEORGE DONDERO, of Michigan. The flag is escorted by an honor guard from the national headquarters of the American Legion. It will be raised to the standard atop the Capitol by the Sergeant at Arms, Forrest Harness, and former Senate Sergeant at Arms Ed McGinnis. Now the new pledge of allegiance to the flag authorized by a new law signed only a few minutes ago by the President. The pledge is spoken by Senator HOMER FERGUSON and Congressman LOUIS RABAUT.

Mr. CRONKITE. "New glory for Old Glory"—a wonderful idea and maybe if we all remember to display our flags today and every special day—we will remember more clearly the traditions of freedom on which our country is founded.

Mr. FERGUSON. Mr. President, I think that the American Legion and the Columbia Broadcasting System are to be commended for this inspirational and patriotic ceremony.

In words more eloquent than any of mine, Dr. Harris, the Senate's very fine Chaplain, has described the scene which took place on the Capitol steps on Flag Day just a few minutes after the President's Office had informed me that the

President had signed the resolution which added the significant new words to the pledge of allegiance. In his always inspiring column, Spires of the Spirit of last Sunday, Dr. Harris devotes his text to the words "under God," and I ask unanimous consent that this column be placed in the RECORD in its entirety.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SPIRES OF THE SPIRIT—UNDER GOD

(By Frederick Brown Harris, minister, Foundry Methodist Church; Chaplain, U. S. Senate)

No matter how high our starry emblem is lifted, it is "under God." On Flag Day President Eisenhower attached his name to the bill officially inserting those momentous words into the pledge of national allegiance. The Chief Executive must have been aware of a tall form, with sad, seamed face, standing by with approving gaze. Abraham Lincoln was there! For had he not appropriated the phrase in an address that was to be immortal! The words thus solemnly included in his deathless message at Gettysburg did not represent just a hollow, pious gesture tinged with political expedient. "Under God" was the fundamental belief of his life. The credo which these two words proclaim ran like a golden cord through all his conceptions of duty and destiny. He might have been vague, indifferent or incredulous as to some of the theological dogmas of his day which seemed to libel the God in whom he really believed. But no man of his troubled times was more positive that: "There is a divinity that shapes our ends, rough-hew them how we will."

But not only Honest Abe was there when these words went into the Salute to the Flag. Knowing their faith in a guiding and overruling providence, who can doubt that every President from George Washington onward joined, the latest occupant of that exalted office in applauding the action and the significance of the congressional resolution which by the presidential pen was turned into law.

To put the words "under God" on millions of lips is like running up the believer's flag as the witness of a great nation's faith. It is also displayed to the gaze of those who deny the sacred sanctities which it symbolizes.

On that June day, within a few minutes after the signature of the President had written "under God" in the Pledge of Allegiance, the bill that legalized it leaped to life in a scene silhouetted against the white dome of the Capitol. There stood Senator HOMER FERGUSON, who had sponsored the resolution in the Senate, and with him a group of legislative colleagues from both houses of Congress. As the radio carried their voices to listening thousands, together these lawmakers repeated the pledge which is now the Nation's. Then, appropriately, as the flag was raised a bugle rang out with the familiar strains of "Onward, Christian Soldiers!"

Thus at the White House and at the Capitol was "under God" written across the Stars and Stripes, in its homage to deity taking its place with the "In God We Trust" on our coinage and "the power that hath made and preserved us a Nation" in our national anthem. Concerning this meaningful event the White House made this thrilling pronouncement, to which is the sound of a great "Amen" in a mighty host of God-fearing hearts:

"From this day forward the millions of our schoolchildren will daily proclaim in every city and town, every village and rural schoolhouse the dedication of our Nation and our people to the Almighty. * * * Over the globe millions have been deadened in mind and soul by a materialistic philosophy

of life. * * * In this way we are reaffirming the transcendence of religious faith in America's heritage and future; in this way we shall constantly strengthen those spiritual weapons which forever shall be our country's most powerful resource in peace or in war."

Of course, this reverential acknowledgment is nothing new. It is but a rededication to the faith in which the Republic was cradled. To be "under God" is to be under an intelligible explanation of the mysterious universe in which we find ourselves. To believe in nothing higher than the flag of one's nation is to thwart the soul's highest instincts, as well as to insult the intellect. To regard will, memory, imagination, thought, love, and the faculties by which men conquer space and time and matter as the reaction of chemical elements, to perceive no mind speaking through the infinite complexities of the cosmos, to be blind to the one final, irreducible and inescapable denominator of the universe.

The results of blasphemous denials of God on a tremendous scale already are being shudderingly shown by the baneful social pattern of atheistic materialism. Suspicion begins to grow that it is not the believer who is irrational, but the cynical denier. Certainly, one who accepts the beliefs of unbelief, with its assumption of a universe that is dead and godless, is called before the bar of reason to explain such undeniable facts as self-sacrifice, nobility, and heroism, which have made the earthen vessels of humanity blaze with a shining glory. The unbeliever has to assert that the grandeur and splendor of life at its best are but the product of blind chance. To deny the implications of "under God" and to point to dust to explain destiny is about as sensible as declaring that you could take a bag containing the letters of the alphabet and, throwing a few handfuls of them up into the air, expect them to fall to the ground in the form of a Shakespeare's sonnet or of a Tennyson's In Memoriam. The thing is absurd.

There is no liberty anywhere except under God. All history shouts that. What avail all the fair slogans of liberty, equality, and fraternity as the streets of Paris ran red with blood and the guillotine rolled its ghastly heads, if a lewd woman is lifted up as the goddess of reason in Notre Dame's temple to the Most High.

The promising streams of freedom disappear in the sands of futility when there is nothing higher than the state. With a deified state in a godless realm iron curtains but hide broken strands of rainbows which once arched the sky of those who imagined themselves pioneers of a new freedom. Without God, unkept promises become the fetters of a worse thralldom at the hands of alleged emancipators.

In this dread day the faces of scientists and national leaders who know the stark facts are blanched by fear. For man has achieved the awesome capacity to produce a star as hot as the sun; he has snatched the secret of starting a fire that can incinerate the planet. We are suddenly aghast at the dire possibilities of stupendous power in the hands of men who have no God in their hearts.

William Penn expressed a pertinent principle when he declared: "Man will either choose to be governed by God or condemn himself to be ruled by tyrants." The Quaker was saying, long before Lincoln, that the only freedom there is is under God.

The saving formula for today's crisis is: "This Nation under God must have a new birth of freedom." Any so-called freedom, if it is not under God, is under sentence of death.

Mr. FERGUSON. I likewise ask unanimous consent that the magnificent words of President Eisenhower, on this historic occasion—the signing of the

resolution—also be placed in the **RECORD** together with an article on *How the Pledge Was Written*, by Margarette S. Miller, which appeared in the *Sunday supplement*, *Parade*, for June 13, 1954.

There being no objection, the statement and article were ordered to be printed in the **RECORD**, as follows:

STATEMENT BY THE PRESIDENT

From this day forward, the millions of our school children will daily proclaim in every city and town, every village and rural schoolhouse, the dedication of our Nation and our people to the Almighty. To anyone who truly loves America, nothing could be more inspiring than to contemplate this rededication of our youth, on each school morning, to our country's true meaning.

Especially is this meaningful as we regard today's world. Over the globe, mankind has been cruelly torn by violence and brutality and, by the millions, deadened in mind and soul by a materialistic philosophy of life. Man everywhere is appalled by the prospect of atomic war. In this somber setting, this law and its effects today have profound meaning. In this way we are reaffirming the transcendence of religious faith in America's heritage and future; in this way we shall constantly strengthen those spiritual weapons which forever will be our country's most powerful resource, in peace or in war.

[From *Parade* of June 13, 1954]

HOW THE PLEDGE OF ALLEGIANCE WAS WRITTEN
(By Margarette S. Miller)

PORTSMOUTH, Va.—One sticky August night in 1892, the lamps burned late in the Boston office of a magazine named *The Youth's Companion*.

A 36-year former minister stared out at the city and tried to fit together a few words that would sum up an American's love for his flag.

The man was Francis Bellamy, of Rome, N. Y., and the sheet of foolscap in front of him was soon to contain the words we know as the pledge of allegiance.

Those words have come down to us, to be repeated by every schoolboy and treasured by every patriot, but the author's name had been mislaid.

Bellamy probably is the most neglected patriot in American history.

Most Americans never have heard of him, although I have campaigned for 15 years to win him rightful recognition. Today's Congress, 45 States, and 5 Territories recognize him as the author.

The Upham family and some others still maintain that James Bailey Upham, Bellamy's boss, wrote the pledge. But from 18 years of research, including a study of Bellamy's private papers and journals, here is my account of how our pledge was written.

When Francis Bellamy joined *The Youth's Companion*, the magazine was leading a great rededication to Americanism.

Part of that program was to raise the flag over all the Nation's schools on Columbus Day, 1892.

Upham had wanted a new flag salute for the occasion. But Bellamy had convinced him that a salute would be far too stiff and formal.

What was needed now, he felt, was a warm, human, simple pledge.

Sitting there, twirling his pen, he quickly hit on the first words: "I pledge allegiance to my flag." And since the flag would symbolize the Nation, he added, "and to the Republic for which it stands."

But then the writing became more difficult. Bellamy skimmed through American history. He reflected on the Civil War. The scars were just healing.

And he tacked on, "one Nation indivisible," for surely the war had proved that.

But he still needed some phrase which would sum up America and the American dream. He thought of the slogan of the French Revolution, "Liberty, Equality, Fraternity."

And he knew that "liberty and justice for all" was the simple, yet moving phrase he was groping for. The pledge was done. (Later, it was revised slightly.)

Bellamy left the magazine, 4 years later, to enter the advertising field. His writings reveal that until his death in 1931, he regarded the few words of the pledge as the greatest he had ever written. His personal story of the pledge also contains this prediction:

"And Mr. Upham said, 'My boy, I can't help thinking that this thing you have written will last long after you and I are both dead.'"

Tomorrow, on Flag Day, millions of Americans will reaffirm that the pledge does live on. The name of Francis Bellamy, a man fired with pride in his flag and his country, should live with it.

Mr. FERGUSON. I hope, and respectfully suggest, that every newspaper in the country, at least once before the Fourth of July, print on its front page the new Pledge of Allegiance with the words "under God" in bold-face type, so that all the people may know the new pledge of allegiance.

RELIEF FOR THE SHEEP-RAISING INDUSTRY BY MAKING AVAILABLE TO CERTAIN SKILLED ALIEN SHEEPHERDERS SPECIAL NON-QUOTA IMMIGRATION VISAS

Mr. SCHOEPPPEL. Mr. President, I understand that the unfinished business before the Senate is Calendar No. 1613, House bill 9474, extending the trade agreements act.

The PRESIDING OFFICER. The Senator is correct.

Mr. SCHOEPPPEL. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1612, Senate bill 2862.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2862) to provide relief for the sheep-raising industry by making special non-quota immigration visas available to certain skilled alien sheepherders.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. LEHMAN. Mr. President, reserving the right to object, this bill was announced today upon the call of the Calendar. Although I was not present in the chamber I asked that my objection to its immediate consideration be made by the Senator from Tennessee [Mr. GORE] or the Senator from Florida [Mr. SMATHERS]. The objection was made.

If the bill were taken up in an orderly way I am by no means certain that I would oppose it; and I have already so expressed myself to the Senator from Nevada [Mr. McCARRAN]. However, I desire an opportunity to study the bill. I desire an opportunity to make extended remarks on the bill. Of course, the opportunity to prepare such remarks will not be at my disposal if the bill is taken up tonight.

It is a most unusual procedure that a bill which is objected to upon the call of the calendar is taken up, without notice to the objector, on the same day on which the objection is made. I am not certain of the parliamentary situation. I do not know whether I have the right to object to the consideration of the bill. I do not wish to object to the bill until I have an opportunity to study it. If the Chair rules that I have the right to object to the immediate consideration of the bill, I intend to do so, because I think it is a most unusual proceeding to call up a bill on the same day on which the bill has been previously objected to on a call of the calendar.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEHMAN. The Senator from Kansas has suggested to me privately that he would like to have a quorum call. I have no objection to a quorum call, provided I do not lose my right to withhold unanimous consent. I cannot preserve that right I shall certainly not yield for the purpose of permitting the Senator from Kansas to suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair informs the Senator that under the present procedure the Senator may object at any time.

Mr. LEHMAN. In other words, I do not surrender my right to object by yielding for the purpose of permitting the Senator from Kansas to suggest the absence of a quorum?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEHMAN. Then I shall be very glad to have a quorum call if the Senator from Kansas wishes it.

Mr. SCHOEPPPEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. SCHOEPPPEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. LEHMAN. Mr. President, reserving the right to object—

The PRESIDING OFFICER. The question is not debatable.

Mr. LEHMAN. I do not wish to debate it. I am reserving my right to object to rescinding the order for the quorum call.

The PRESIDING OFFICER. The question is not debatable. Either the Senator objects or he does not object.

Mr. LEHMAN. I shall temporarily object, until I get an assurance.

The PRESIDING OFFICER. Objection is heard. The secretary will continue the call of the roll.

The Chief Clerk resumed the call of the roll.

Mr. SCHOEPPPEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. LEHMAN. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORKS OF IMPROVEMENT FOR SOIL CONSERVATION

Mr. SCHOEPPPEL. Mr. President, an objection has been noted by the Senator from New York [Mr. LEHMAN] to my unanimous-consent request that the Senate proceed to the consideration of Calendar No. 1612, S. 2862, to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders. Inasmuch as the objection has been noted, I desire to have the bill go over for consideration until tomorrow.

I now ask unanimous consent that the unfinished business, H. R. 9474, to extend the authority of the President to enter into trade agreements, be temporarily laid aside and the Senate proceed to the consideration of Calendar No. 1633, H. R. 6788.

The PRESIDING OFFICER. Does the Senator from Kansas withdraw his previous request that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of S. 2862?

Mr. SCHOEPPPEL. I do.

The PRESIDING OFFICER. The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with the States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. GORE. Mr. President, reserving my right to object, let me say that a number of objections have been filed to the bill. Am I to understand from the acting majority leader that the matter was cleared earlier today between the majority leader and the minority leader?

Mr. SCHOEPPPEL. The Senator is correct. That is my understanding, and I was asked to seek to have the bill considered at this time on the basis of that understanding.

Mr. GORE. I reserved the right to object because some Senators had filed objections to the bill. It is possible that those objections have been removed. Upon the statement of the distinguished Senator from Kansas I withhold any objection.

Mr. SCHOEPPPEL. I thank the Senator from Tennessee.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 6788) to authorize the Secretary of Agriculture to cooperate with States and local agencies in the planning and carrying out of works of improvement for soil conservation, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause and insert:

That erosion, floodwater, and sediment damages in the watersheds of the rivers and streams of the United States, causing loss of life and damage to property, constitute a menace to the national welfare; and that it is the sense of Congress that the Federal Government should cooperate with States and their political subdivisions, soil or water conservation districts, flood prevention or control districts, and other local public agencies for the purpose of preventing such damages and of furthering the conservation, development, utilization, and disposal of water and thereby of preserving and protecting the Nation's land and water resources.

SEC. 2. For the purposes of this act, the following terms shall mean:

The "Secretary"—the Secretary of Agriculture of the United States.

"Works of improvement"—any undertaking for—

(1) flood prevention (including structural and land-treatment measures) or

(2) agricultural phases of the conservation, development, utilization, and disposal of water

in watershed or subwatershed areas not exceeding 250,000 acres and not including any single structure which provides more than 2,000 acre-feet of total capacity or such greater capacity, not exceeding 5,000 acre-feet, as may be specifically authorized by Act of Congress. A number of such subwatersheds when they are component parts of a larger watershed may be planned together when the local sponsoring organizations so desire.

"Local organization"—any State, political subdivision thereof, soil or water conservation district, flood prevention or control district, or combinations thereof, or any other agency having authority under State law to carry out, maintain, and operate the works of improvement.

SEC. 3. In order to assist State and local organizations in preparing and carrying out plans for works of improvement, the Secretary is authorized, upon application of local organizations if such application has been reviewed and approved by the State agency having supervisory responsibility over programs provided for in this act, or by the governor if there is no State agency having such responsibility—

(1) to conduct such investigations and surveys as may be necessary to prepare plans for works of improvement;

(2) to make such studies as may be necessary for determining the physical and economic soundness of plans for works of improvement, including a determination as to whether benefits exceed costs;

(3) to cooperate and enter into agreements with and to furnish financial and other assistance to local organizations: *Provided*, That, for the land-treatment measures, the Federal assistance shall not exceed the rate of assistance for similar practices under existing national programs;

(4) to obtain the cooperation and assistance of other Federal agencies in carrying out the purposes of this section.

SEC. 4. The Secretary shall require as a condition to providing Federal assistance for the installation of works of improvement that local organizations shall—

(1) acquire without cost to the Federal Government such land, easements, or rights-of-way as will be needed in connection with works of improvement installed with Federal assistance;

(2) assume such proportionate share of the cost of installing any works of improvement involving Federal assistance as may be determined by the Secretary to be equitable in consideration of anticipated benefits from such improvements: *Provided*, That no part of the construction cost for providing any capacity in structures for purposes other than flood prevention and features related

thereto shall be borne by the Federal Government under the provisions of this act;

(3) make arrangements satisfactory to the Secretary for defraying costs of operating and maintaining such works of improvement, in accordance with regulations presented by the Secretary of Agriculture;

(4) acquire, or provide assurance that landowners have acquired, such water rights, pursuant to State law, as may be needed in the installation and operation of the work of improvement; and

(5) obtain agreements to carry out recommended soil conservation measures and proper farm plans from owners of not less than 50 percent of the lands situated in the drainage area above each retention reservoir to be installed with Federal assistance.

SEC. 5. At such time as the Secretary, the appropriate State agency, and the interested local organization have agreed on a plan for works of improvement, and the Secretary has determined that the benefits exceed the costs, and the local organization has met the requirements for participation in carrying out the works of improvement as set forth in section 4, the Secretary is authorized to assist such local organizations in developing specifications, in preparing contracts for construction, and to otherwise aid the local organization to undertake the works of improvement pursuant to the agreement between the Secretary and the local organization under the provisions of section 3 of this act: *Provided*, That in participating in the installation of such works of improvement the Secretary, as far as practicable and consistent with his responsibilities for administering the overall national agricultural program, shall utilize the authority conferred upon him by the provisions of this act: *Provided further*, That, at least 45 days (counting only days occurring during any regular or special sessions of the Congress) before such installation involving Federal assistance is commenced, the Secretary shall transmit a copy of the plan and the justification therefor to the Congress through the President: *Provided further*, That any such plan (a) which includes reclamation or irrigation works or which affects public or other lands under the jurisdiction of the Secretary of the Interior, or (b) which includes Federal assistance for floodwater detention structures, shall be submitted to the Secretary of the Interior or the Secretary of the Army, respectively, for his views and recommendations at least 90 days prior to transmission of the plan to the Congress through the President. The views and recommendations of the Secretary of the Interior, and the Secretary of the Army if received by the Secretary of Agriculture prior to the expiration of the above 90-day period, shall accompany the plan transmitted by the Secretary of Agriculture to the Congress through the President: *Provided further*, That, prior to any Federal participation in the works of improvement under this act, the President shall issue such rules and regulations as he deems necessary or desirable to carry out the purposes of this act, and to assure the coordination of the work authorized under this act and related work of other agencies including the Department of the Interior and the Department of the Army.

SEC. 6. The Secretary is authorized in cooperation with other Federal and with States and local agencies to make investigations and surveys of the watersheds of rivers and other waterways as a basis for the development of coordinated programs. In areas where the programs of the Secretary of Agriculture may affect public or other lands under the jurisdiction of the Secretary of the Interior, the Secretary of the Interior is authorized to cooperate with the Secretary of Agriculture in the planning and development of works or programs for such lands.

SEC. 7. The provisions of the act of June 22, 1936. (49 Stat. 1570), as amended and sup-

West Tennessee and West Kentucky areas with needed power is not the best deal that could be made for the people.

The Atomic Energy Commission is a specialized agency, charged with a grave responsibility in a highly technical field. It should not have to deal with a question of power. Its power needs should be supplied by a power agency.

The Government has a power agency of high competence and much experience in the power field—the Tennessee Valley Authority—which President Eisenhower, during the campaign, promised the editor of this newspaper would “be operated and maintained at maximum efficiency.”

The meeting of the power needs of the AEC should be left to the TVA.

The best solution is the building of the steam plant by the TVA. The next best is the building of the plant by the financial group represented by Walter Von Tresckow and Lucius Burch, of Memphis, for under that plan the TVA would eventually own the plant. The poorest solution is the letting of a contract to the Middle South Utilities Co. and the Southern Co., as proposed by the President, for it is the most costly and at the end the people would own nothing.

While the Memphis area, including this newspaper, would profit from the building of this huge plant just across the river from Memphis, nevertheless, we think the Government should put the plant on the site which is best from the standpoint of the national interest. That site, we believe, is the one on the bluff at Fulton, Tenn., the one chosen by TVA experts after years of study. It is nearer to the coal fields. It is out of the range of bombs directed at a large city.

TVA should be allowed to build the steam plants required for Government needs and industrial needs in its area. TVA should be put on its own bottom, and such expansion financed by the issuance of TVA's own bonds, underwritten by the Federal Government. That is “maximum efficiency.”

Not quite so good, but next best, is the Von Tresckow plan. Far below “maximum efficiency” is a plan favored by the President, which subsidized private utilities which are not needed to do the job.

[From the Washington Post and Times Herald of June 20, 1954]

CONDEMNING TVA

President Eisenhower's letter instructing the Atomic Energy Commission, in effect, to purchase power from certain private utility companies is unfortunate from every point of view. As a matter of administration, this kind of interference with the independent judgment of a commission is mischievous. In terms of business practice, it is an uneconomic and imprudent arrangement, certain to prove costly to American taxpayers. Considered as policy, it seems to reflect a doctrinaire preference for private power instead of public power, regardless of the needs and problems of a specific situation. Indeed, it seems an unhappy reversion to the President's reference to TVA just a year ago as an example of “creeping socialism.”

Through the Bureau of the Budget, the President has virtually ordered the AEC to do what 3 of its 5 commissioners actively oppose and what the other 2 regard if not with misgivings at least without fervor. The Commission is to sign a 25-year contract with a private syndicate for the purchase of 500,000 to 600,000 kilowatts of power to be provided for a new \$107-million plant in the Memphis area. This new private plant will be used to serve residents of the area who now get their power from TVA. And it will also serve as a justification for denying TVA the funds it has requested for the purchase of steam plants to meet the power needs of the AEC and of area residents. In short, the AEC which does not now need additional

power is being used, as Senator GORE put it, “to prevent the TVA from building more capacity.”

Representative CHET HOLIFIELD has performed an immensely useful public service in bringing out the uneconomic aspects of this arrangement. His persistent questioning elicited from Brig. Gen. Kenneth D. Nichols, AEC general manager, an acknowledgment that the AEC staff has estimated the private-power contract will cost about \$3.6 million a year more than a similar arrangement with TVA.

“Over the life of the contract,” Mr. HOLIFIELD asserted, “American taxpayers will pay at least \$90 million more than the cost of equivalent power supplied by TVA. The public will foot the bill while the private utilities get a free ride. At the end of the ride, the private utilities will own the automobile paid for by the taxpayers.”

We applaud the determination of Representatives HOLIFIELD and MELVIN PRICE, both members of the Joint Congressional Committee on Atomic Energy, to take their fight against the administration power proposal to the floor of the House. It is really a fight for TVA's life. There have been few American achievements of the 20th century which have contributed more to the public welfare than TVA's achievement in enriching the great Tennessee Valley and harnessing the Tennessee River and its tributaries for the welfare of the valley's residents. That magnificent American development must not now be stifled out of a mere doctrinaire opposition to public power and a nightmare fear of creeping socialism.

Mr. KEFAUVER. Mr. President, I wish to pay tribute to certain Members of the House of Representatives who, though not coming from the Tennessee Valley section, have been exposing this contract for what it is. They have been getting the facts to the people.

Foremost in that group is the distinguished Representative CHET HOLIFIELD, who is a member of the Joint Committee on Atomic Energy. Mr. HOLIFIELD has pointed out the unfairness and the contortion of the Atomic Energy Commission by reason of its being forced to enter into this contract. He has this afternoon released a letter which he has written to the Chairman of the Securities and Exchange Commission. The letter is dated June 21, 1954. It has been released to the press, so I am at liberty to use it here.

In this letter Representative HOLIFIELD has asked the Securities and Exchange Commission to hold full hearings on this grab contract. He charges that the Presidential order to the Atomic Energy Commission would involve that agency in transactions for utility services not necessary for its present program nor authorized by the Atomic Energy Act. Inasmuch as the Mid-South Utility and the Southern Company are utility holding companies, he wished to know whether they had obtained permission from the Securities and Exchange Commission to enter into the proposed contract, and whether they were entitled to do so under the Utility Holding Company Act.

Mr. President, the letter from Representative HOLIFIELD to Hon. Ralph H. Demmler, Chairman of the Securities and Exchange Commission, should be read by all who are considering this question. I ask that it be printed in the

RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 21, 1954.

HON. RALPH H. DEMMLER,
Chairman, Office of the Chairman,
Securities and Exchange Commission,
Washington, D. C.

DEAR MR. DEMMLER: As I indicated to you in our telephone conversation today, the Joint Committee on Atomic Energy, of which I am a member, has been holding hearings on pending atomic energy legislation. On Thursday and Friday of last week, the committee examined rather extensively the authority of the Atomic Energy Commission to enter into long-term contracts for electrical utility services, with particular reference to a new proposal made by Middle South Utilities, Inc. and the Southern Co., known as the Dixon-Yates proposal.

The general manager of the Atomic Energy Commission advised our committee on Thursday that the President, through the Bureau of the Budget, had directed the Commission to proceed with negotiations for the making of a contract with the Dixon-Yates group. As you may know, I seriously question the legality and propriety of a directive to the Atomic Energy Commission to enter into such a contract against the better judgment of a majority of the Commission and without a clear mandate in the Atomic Energy Act.

I question further the legality and propriety of this directive in view of the fact that the subject companies, both holding companies within the purview of the Public Utility Holding Company Act of 1935, have not obtained approval from the Securities and Exchange Commission for the proposed arrangement, which apparently involves the formation of a new operating company, acquisition of stock interests therein by the sponsoring companies, and the flotation of bond and security issues.

The Securities and Exchange Commission on two previous occasions had before it proposals by two groups of utility companies to furnish utility services to the Atomic Energy Commission under long-term contracts through the instrumentality of new corporations known as Electrical Energy Inc. and Ohio Valley Electric Corp. The written opinions of the Securities and Exchange Commission relative to these previous arrangements (Holding Company Act of 1935, Release No. 10340, File No. 70-2540, January 15, 1951; Release No. 11578, File No. 70-2945, November 7, 1952), which you furnished at my request, reveal that your agency gave conditional approval on the grounds that the facilities to be constructed were urgently needed for the national defense and that therefore a liberal interpretation of the applicable provisions of the Holding Company Act was justified. The Securities and Exchange Commission reserved jurisdiction to reexamine the applications at a more appropriate time.

Thus the memorandum opinion of your agency with reference to Electric Energy, Inc., noted that the application by the sponsoring companies was unique in the history of the act; that speed was essential; and therefore that no hearings were held and no formal record created other than the data contained in the application itself, as a basis for interim approval.

In the case of Ohio Valley Electric Corp., the findings and opinion of the Securities and Exchange Commission indicate that a 1-day hearing was held after the signing of a definitive contract between the Atomic Energy Commission and Ohio Valley, and that interim approval was given after representatives of the sponsoring companies urged

prompt action in the interests of national defense.

Whatever the extent of documentation adduced to support the national defense argument in the two previous contracts, your attention is called to the fact that the pending Dixon-Yates proposal cannot properly rely upon such an argument. The Atomic Energy Commission already has a firm contract with the Tennessee Valley Authority to supply its electrical energy requirements at the Paducah, Ky., installation. The proposed site of the Dixon-Yates plant at West Memphis, Ark., is several hundred miles from the nearest atomic energy installation. The additional power supply proposed to be created would not serve directly any atomic energy project but would be utilized for the commercial, industrial, and domestic needs of the Memphis area.

The Dixon-Yates proposal contemplates that the new corporation would enter into a 25-year contract with the Atomic Energy Commission as the nominal purchaser of the electrical energy, which would be delivered to the Tennessee Valley Authority for use in supplying the area named above. In other words, this device would make the Atomic Energy Commission a "power broker" involving it in transactions for utility services not necessary for its own program, and in my opinion, not authorized by the Atomic Energy Act.

I take this opportunity to urge the Securities and Exchange Commission to hold full hearings on those aspects of the Dixon-Yates proposal which are pertinent to its jurisdiction, in order to determine whether the public interest is adequately protected according to the terms of the Holding Company Act. Certainly these combinations of holding companies, associated companies and operating subsidiaries, raise important questions under that act. In this connection, I note that Middle South Utilities, Inc., one of the parties in the Dixon-Yates proposal, also is a sponsoring company in Electrical Energy, Inc.

Also, I wish to be advised whether Middle South Utilities, Inc., and the Southern Co. presently are involved in proceedings under the "death sentence" clause of the Holding Company Act. With reference to the two previous contracts upon which the Commission reserved jurisdiction, has the Commission made any reexamination of the issues involved, and if not, does the Commission intend to make such reexamination?

Sincerely yours,

CHET HOLIFIELD,
Member of Congress.

P. S.—In view of the public interest in this matter, I am releasing this letter to the press, Tuesday, June 22, 1954.

Mr. KEFAUVER. Mr. President, this matter has a far-reaching effect. The Congress has a right to direct the course which agencies are to follow. Congress has a right to expect that its congressional directives will be carried out by the executive department.

In this case the congressional intent has not been followed. The Atomic Energy Commission itself has voted that the congressional intent has not been followed. No congressional committee has approved this wrong direction. No congressional committee has even held hearings on changing the Atomic Energy Act, so as to permit the Atomic Energy Commission to act for other agencies.

This is a matter in which the integrity of Congress is involved. One question involved is: Are agencies to be blatantly used by the President of the United States, even against their own will, for some purpose for which they were never created?

Mr. President, orderly government cannot stand assaults of the type contained in the Presidential directive we are discussing.

I hope that Members of Congress will consider it. I hope the administration will think again of the impossible precedent it would establish if this kind of procedure were to be consummated. I hope, while there is still time, that it will withdraw this contract and let the Atomic Energy Commission enter into a contract under which it can save the taxpayers money, get out of the power business, and let the TVA stay in the power business.

TRADE AGREEMENTS

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

Mr. GORE. Mr. President, I call up amendments in the nature of a substitute designated 6-17-54-A, which I offer for myself and on behalf of the Senator from Oklahoma [Mr. MONRONEY], the Senator from Florida [Mr. HOLLAND], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the senior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Montana [Mr. MURRAY], the junior Senator from Montana [Mr. MANSFIELD], the Senator from New York [Mr. LEHMAN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Ohio [Mr. BURKE], the Senator from Mississippi [Mr. STENNIS], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oregon [Mr. MORSE], the senior Senator from Washington [Mr. MAGNUSON], the Senator from Arkansas [Mr. FULBRIGHT], the junior Senator from Washington [Mr. JACKSON], the senior Senator from Missouri [Mr. HENNING], the senior Senator from New Mexico [Mr. CHAVEZ], the junior Senator from New Mexico [Mr. ANDERSON], the junior Senator from Missouri [Mr. SYMINGTON], the senior Senator from Arkansas [Mr. McCLELLAN], and the Senator from North Carolina [Mr. LENNON].

I ask that the amendments be printed at this point in the RECORD, for the information of the Senate.

There being no objection, the amendments, in the nature of a substitute, were ordered to be printed in the RECORD, as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That this Act may be cited as the 'Trade Agreements Extension Act of 1954.'

"Sec. 2. The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended for a further period of three years from June 12, 1954.

"Sec. 3. Section 350 of the Tariff Act of 1930, as amended (19 U. S. C., 1351), is hereby further amended as follows:

"(1) Subsection (a) is amended to read:

"(a) (1) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in

establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

"(A) to enter into foreign-trade agreements with foreign governments or instrumentalities thereof containing provisions with respect to international trade, including provisions relating to tariffs, to most-favored-nation and other standards of non-discriminatory treatment affecting such trade, to quantitative import and export restrictions, to customs formalities, and to other matters relating to such trade designed to promote the purpose of this act similar to any of the foregoing: *Provided*, That such provisions are not inconsistent with existing legislation of the United States; and

"(B) to proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreements, as are required or appropriate to carry out any foreign-trade agreement that the President has entered into hereunder.

"(2) No proclamation pursuant to paragraph (1) (B) of this subsection shall be made (i) increasing the rate of duty applicable to any article to a rate more than 50 percent above the rate applicable to such article existing on January 1, 1945; (ii) transferring any article between the dutiable and free lists; (iii) decreasing the rate of duty applicable to any article to a rate more than 50 percent below the rate applicable to such article existing on January 1, 1945, in order to carry out a foreign-trade agreement entered into by the President prior to June 12, 1954; or (iv) decreasing the rate of duty applicable to any article by more than the limit set forth in any 1 of the following 3 alternatives (subject to any other qualification applicable to that alternative), in order to carry out a foreign-trade agreement entered into by the President on or after June 12, 1954:

"(I) Decreasing to a rate 15 percent below the rate existing on January 1, 1954;

"(II) Decreasing to a rate 50 percent below the rate existing on January 1, 1945, in the case of any article which the President determines, on the basis of information provided by the Tariff Commission, is not being imported into the United States or is being imported in negligible quantities: *Provided*, That the foregoing qualifications relative to import quantities shall not apply to decreases, proclaimed to carry out a trade agreement to which the Government of Japan is a party, which the President determines are necessary in order to provide expanding export markets for products of Japan, including such markets in third countries; or

"(III) Decreasing to a rate of 50 percent ad valorem (or to a combination of ad valorem rates aggregating 50 per centum), in the case of any article the duty applicable to which is an ad valorem rate above 50 percent (or is a combination of ad valorem rates aggregating above 50 percent); or decreasing to a rate of 50 percent ad valorem

or to a rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined by the President on the basis of available information would have been 50 percent during a representative period, in the case of any article the duty applicable to which is a specific rate (or combination of rates including a specific rate) the ad valorem equivalent of which has been so determined to have been above 50 percent during such period. The valuation provisions of subsection (a) (1) to (3), and (c) to (f) of section 402 of the Tariff Act of 1930, as amended, shall be utilized by the President in making determinations for the purpose of applying this alternative, except that, in any case in which subsections (a) (4) and (g) of section 402 are being applied for the valuation of an article, such latter subsections shall be utilized in making the determinations with respect to that article.

"(3) (A) Subject to the provisions of subparagraphs (B) and (C) of this paragraph, the proclaimed duties and other import restrictions shall be in effect from and after such time as is specified in the proclamation. The President may at any time terminate any such proclamation in whole or in part.

"(B) No more than one-third of the maximum decreased permissible under alternative (I) of paragraph (2) (iv) of this subsection shall become initially effective at one time, nor until any previous part of such decrease shall have been in effect for not less than 1 year. No part of a decrease to which alternative (I) is applicable shall become initially effective after June 12, 1957.

"(C) No more than one-third of any decrease in duty to which alternative (II) or (III) of paragraph (2) (iv) of this subsection is applicable shall become initially effective at one time, nor until any previous part of such decrease shall have been in effect for not less than 1 year.

"(D) If the President determines that such action would simplify the statement of the rate of duty to be proclaimed for any article the duty applicable to which is being decreased subject to one of the limitations set forth in this paragraph or in paragraph (2) (iv) of this subsection, he is authorized to round out such rate: *Provided*, That in so doing he does not decrease the duty applicable to such article by more than one-half of 1 percent ad valorem in addition to the decrease permitted by such limitation. In the case of a specific rate, or of a combination of rates including a specific rate, the one-half of 1 percent shall be determined in the manner provided in alternative (III) of paragraph (2) (iv) of this subsection for ascertaining the ad valorem effect of rates not stated in such terms.

"(4) In exercising his authority under this section, the President shall avoid the subdivision of classification categories which might give rise to confusion or controversy, whenever this may be done consistently with the purposes of the trade agreements legislation.

"(5) The proclaimed duties and other import restrictions shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly, or indirectly: *Provided*, That the President may suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts (including the operations of international cartels) or policies which in his opinion tend to defeat the purposes set forth in this section.

"(2) Subsection (b) of the said section 350 is amended by (i) deleting the word 'exclusive' from before the word 'agreement' in the first sentence; (ii) inserting the word 'exclusive' before the words 'preferential cus-

tom treatment' in the first sentence; and (iii) amending the last sentence to read as follows: 'No rate of duty on products of Cuba shall in any case be decreased (1) to a rate more than 50 percent below the rate applicable to such products existing on January 1, 1945, in order to carry out a foreign-trade agreement entered into by the President prior to June 12, 1954, or (2) by more than the limits set forth in any one of the three alternatives provided for in subsection (a) (2) (iv) and in subsection (a) (3) (D) (subject to any other qualification applicable to that alternative, and subject to the provisions of subsection (a) (3) (B) and (C)), in order to carry out a foreign-trade agreement entered into by the President on or after June 12, 1954.'

"(3) Subsection (c) of the said section 350 is amended (1) by designating the matter now therein as paragraph (1), and (ii) by adding thereafter a new paragraph to read:

"(2) Except as is otherwise provided in subsection (d), the terms 'existing on January 1, 1945' and 'existing on January 1, 1954' as used in this section mean existing on the date specified, however established, and even though temporarily suspended by act of Congress. The term 'existing' without the specification of any date, when used in this section with respect to any matter relating to the conclusion of or proclamation to carry out a trade agreement, means existing on the day on which that trade agreement is entered into.'

"(4) At the end of the said section 350 a new subsection is added to read:

"(e) The President shall submit to Congress an annual report on the operation of the trade agreements program, including information regarding new negotiations, modifications made in duties and import restrictions of the United States, reciprocal concessions obtained, modifications of existing trade agreements in order to effectuate more fully the purposes of the trade agreements legislation (including the incorporation therein of escape clauses), and other information relating to that program and to the agreements entered into thereunder.'

"SEC. 4. Subsection (b) of section 6 of the Trade Agreements Extension Act of 1951, as amended (19 U. S. C. 1363 (b)) is hereby further amended by deleting the second sentence thereof.

"SEC. 5. Subject to compliance with the applicable statutory procedures and limitations relative to the conclusion and proclamation of foreign trade agreements, the President is authorized to proclaim decreases in rates of duty not below the limit set forth in alternative (II) (exclusive of the proviso thereto) provided for in subsection (a) (2) (iv) of section 350 of the Tariff Act of 1930, as amended, if he finds as a fact that the purpose of that section will be promoted thereby, notwithstanding that such proclamation is not required or appropriate to carry out any trade agreement which he has entered into under section 350. The applicable statutory provisions relative to the carrying out, modification, and termination of foreign trade agreements and proclamations thereof shall apply to proclamations issued pursuant to this section and to decreases in rates contained therein as though such proclamations had been issued to carry out foreign trade agreements and the decreases were concessions granted under such agreements. The period or periods during which the President is authorized to issue proclamations under this section shall be the same as the period or periods during which he is authorized to enter into foreign trade agreements under section 350."

And to amend the title so as to read: "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, to increase the effectiveness of the trade

agreements program, and for other purposes."

Mr. GORE. Mr. President, tomorrow I shall make an address in support of the amendment in the nature of a substitute; but, for the time being, in order that the Senate may be fully informed as to the scope of the amendment, I propose to take a few minutes of the Senate's time to explain its provisions.

Section 2 of the amendment provides for a 3-year extension of the basic authority of the President to negotiate reciprocal trade agreements. This 3-year extension will provide some assurance to our friends abroad with respect to the continuity of United States trade policy.

The basic authority for negotiation of trade agreements is contained in section 350 of the Tariff Act of 1930, as amended. Section 3 of my amendment makes certain modifications of existing law as recommended by the President, which I shall discuss in detail.

The purposes for which trade agreements may be negotiated, as contained in subsection (a) of section 350 are restated in the amendment in language identical with existing law.

Existing law authorizes the President, for the purposes set forth in the act, "to enter into foreign trade agreements with foreign governments or instrumentalities thereof." In my amendment, beginning on page 2, line 25, the matters which may be dealt with in agreements negotiated by the President are spelled out in detail. The amendment specifically provides that the agreements may include provisions "relating to tariffs, to most-favored-nation and other standards of nondiscriminatory treatment affecting such trade, to quantitative import and export restrictions, to customs formalities, and to other matters relating to such trade designed to promote the purpose of this act similar to any of the foregoing." I call particular attention to the proviso beginning on line 8, page 3, which specifies that no provision of an agreement may be inconsistent with existing legislation of the United States.

The language of my amendment will authorize the President to negotiate for the elimination of quantitative export and import restrictions which are widely used abroad and which, in many instances, deny to American agriculture, industry, and mining interests effective access to foreign markets.

The authority of the President to proclaim adjustments of existing duties or import restrictions pursuant to negotiated trade agreements is retained in language identical with that now found in the act.

Existing law provides for certain limitations upon the extent of the adjustments which may be made as a result of trade agreements. So does my amendment. These limitations are spelled out, beginning on line 18 of page 3. They are of three types.

First. The first limitation restricts increases in duties. Existing law provides that no proclamation may be issued increasing duties to a rate more than 50 percent above the rate applicable to such

article existing on January 1, 1945. This limitation is retained. It is applicable both to agreements entered into prior to June 12, 1954, and to those which may be entered into thereafter.

Second. The second limitation prohibits the transfer of any article between the dutiable and free lists. This limitation is likewise carried forward from existing law and is applicable both to old agreements and to new agreements which may be entered into pursuant to the authority contained in my amendment.

Third. The third type of limitation restricts the extent to which the rate of duty on any article may be decreased. As to agreements entered into prior to June 12, 1954, existing law prohibiting a decrease to a rate lower than 50 percent below the rate existing on January 1, 1945, is continued. As to agreements entered into subsequent to June 12, 1954, limitations on decreases in duty rates are expressed in terms of three alternatives which are found beginning on page 4 of the amendment. The amendment specifically provides, with respect to new agreements, that no proclamation may be issued decreasing the rate of duty applicable to any article by more than the limit set forth in any 1 of the 3 alternatives.

Under the first alternative, the President is authorized to enter into agreements providing for decreases to a rate 15 percent below the rate existing on January 1, 1954. I call particular attention to the fact that the 15 percent refers to 15 percent of the existing rate and does not mean a reduction of 15 percent ad valorem. Subparagraph (B) on page 6 further provides that no more than one-third of this 15 percent decrease authorized in alternative 1 shall become initially effective at any one time, nor until any previous part of such decrease shall have been in effect for not less than 1 year. No decrease pursuant to alternative 1 may be initially effective after June 12, 1957. Under alternative 1, Mr. President, decreases in rates are thus limited 5 percent a year for 3 years up to a maximum of 15 percent.

To illustrate how modest is the authority contained in alternative 1, a reduction of 5 percent applied to an article now carrying a duty rate of 20 percent ad valorem would result in a rate of duty of 19 percent ad valorem. If the maximum decrease authorized to such article was proclaimed over the entire period of 3 years, the rate of duty on the article in question would be reduced from 20 to 17 percent.

Under alternative 2, rates may be decreased to a rate 50 percent below the rate existing on January 1, 1945. In new agreements, however, such action may be taken only as to those articles which the President determines on the basis of information provided by the Tariff Commission are not being imported into the United States or are being imported only in negligible quantities. The authority to decrease rates as contained in alternative 2 is thus substantially less than that contained in existing law because, under existing law,

rates may be decreased to a rate 50 percent below the existing on January 1, 1945, without regard to the qualification as to the quantity of imports. The fact that the authority, under alternative 2, is considerably less than that contained in existing law makes advisable the inclusion of a special proviso applicable to agreements to which the Government of Japan is a party. I shall discuss this proviso, in detail, later.

Alternative 3 authorizes decreases to a rate of 50 percent ad valorem or a rate equivalent to 50 percent ad valorem in the case of any article on which the existing rate, or combination of ad valorem rates, is in excess of 50 percent. In making determinations as to valuation in applying alternative 3, the procedures prescribed in existing law as contained in section 402 of the Tariff Act of 1930, as amended, shall be used.

Subparagraph (C) on page 6 provides that, in applying decreases to which alternatives 2 or 3 are applicable, not more than one-third of any such decrease in duty shall become initially effective at one time nor until any previous part of such decrease shall have been in effect for not less than 1 year.

The amendment further provides that, for the purpose of simplifying the statement of any rate of duty to be proclaimed pursuant to a trade agreement, the President may round out such rate provided that such action does not result in an additional decrease in excess of one-half of 1 percent ad valorem. The authority to state rates of duties in round figures, rather than in complicated fractions, will facilitate the conduct of international transactions and the complicated problems incident to currency convertibility.

I referred earlier, Mr. President, to a special proviso involving the Government of Japan which is incorporated in the authority to proclaim decreased rates pursuant to alternative 2 and found on page 4 of the amendment. In the absence of the proviso, rate reductions to a rate 50 percent below that existing on January 1, 1945, could be proclaimed pursuant to an agreement with Japan only upon those articles not being imported at all or being imported only in negligible quantities. Such authority would be considerably less than that contained in existing law. Japan is one of the few nations of the free world with whom we have not previously entered into a trade agreement. In view of this fact, it is essential that the President be authorized to enter into agreements with Japan on the same basis as has heretofore been authorized in the case of other countries. Accordingly, the proviso specifies that the qualifications relative to import quantities which are applicable to future agreements negotiated with other countries shall not apply to trade agreements to which Japan is a party.

The proviso would further make possible the negotiation of multilateral agreements involving Japan which would have the effect of expanding Japanese export markets in free countries of the world other than the United States. The importance to free world security of the economic stability of Japan as a

member of the world of free nations and with strong economic ties with other nations of the free world cannot be over-emphasized. Enactment of my amendment, including the proviso, will make possible an increase in Japanese exports not only to this country, but also to other nations of the free world.

The amendment contains one additional provision authorizing action by the President to bring about decreases in rates of duty. This authority is contained in section 5 of the bill on page 9. For purposes of clarity, I propose to discuss it briefly in context with other provisions of the amendment involving authority to reduce rates.

Section 5 would authorize the President to proclaim limited decreases in rates of duty under certain conditions without the necessity of entering into a formal trade agreement. Under this authority, the President may proclaim decreases to a rate 50 percent below the rate existing on January 1, 1945, but such reductions may be proclaimed only on those articles which the President finds, upon the basis of information submitted by the Tariff Commission, are not being imported at all or are being imported only in negligible quantities. All statutory procedures and safeguards applicable to the negotiation of a trade agreement must be followed by the President before any action can be taken pursuant to the authority conferred upon him in section 5. This means that the advice of appropriate departments of the Government must be obtained and that interested parties will have the right to be heard before action is taken. The period during which the President shall have such authority is the same as that during which he is authorized to enter into formal trade agreements, which, under the terms of this amendment, will extend until June 12, 1957.

The sections of the amendment which I have discussed, Mr. President, constitute its major provisions. There are, however, certain other minor provisions to which I will refer briefly. Subsection (4) of section 3, found on page 7 of the amendment, directs the President, in exercising his authority under Section 350 of the Tariff Act, insofar as may be done consistently with the purposes of the act, to avoid the subdivision of classification categories which might give rise to confusion or controversy. Under existing law, in many instances, identical articles or articles of substantially similar nature are subject to varying rates of duty and import restrictions. Such a situation is indeed confusing to those seeking to trade with the United States. Under this subsection of the amendment, the President is directed to take such action as is consistent with other provisions of the act to eliminate such confusion. Such action is in accordance with a specific recommendation of the Randall Commission.

Beginning on line 20 of page 7, certain changes of a technical nature are made in subsection (b) of Section 350 of the Tariff Act. This said subsection (b), as now contained in the act, deals with preferential agreements with Cuba. The word "exclusive" is moved from one

place in existing language to another place so that, under the amendment, the word "exclusive" modifies the phrase "preferential custom treatment" rather than the word "agreement." Under existing law, there was some doubt as to whether preferential treatment could be accorded to Cuba in any agreement other than one which was an exclusive agreement with Cuba. As a result of this amendment, any doubt about the authority to afford exclusive preferential treatment to Cuba, pursuant to the terms of multilateral agreement, is removed. The latter portion of the amendment affecting the Cuba clause is designed to insure that the limitations with respect to decreases in rates as imposed by the three alternatives, shall likewise be applicable to any new agreement that may be entered into with Cuba.

Beginning on line 12 of page 8, the amendment restates existing law to the effect that the term "existing on January 1, 1945," as used in the act, shall mean existing on that date however established and even though temporarily suspended by act of Congress. The same definition is applied to the term "January 1, 1954" as used in the amendment. It is further provided that the term "existing" wherever used in the act without a specific date means existing on the day on which the particular trade agreement involved is entered into.

Existing law provides that the President shall make a semiannual report to the Congress outlining the progress made pursuant to a directive by Congress that the President proceed to secure the incorporation of escape-clause provisions into all trade agreements which did not originally contain such safeguards. Section 4 on page 9 eliminates this required report. The amendment provides, however, beginning at line 1, page 9, that in lieu of this limited report now required by law, the President shall submit annually to Congress a much more comprehensive report on the operation of the trade agreements program, including the incorporation of escape clauses in existing agreements.

I call to the attention of the Senate the fact that all existing safeguards found in current legislation are retained. The amendment specifically provides that the President may at any time terminate any proclamation issued pursuant to a trade agreement in whole or in part. The authority of the President to suspend the application of any proclamation because of discriminatory treatment of American commerce or because of other acts (including the operations of international cartels) is also specifically retained.

The amendment does not affect in any way the "peril point" provisions or the escape-clause safeguards which have previously been written into the act.

Mr. President, I ask unanimous consent to have printed at this point in the

RECORD a letter dated June 22, 1954, from the American Farm Bureau Federation, endorsing the amendment I have offered.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., June 22, 1954.

HON. ALBERT GORE,
United States Senate,
Washington, D. C.

DEAR SENATOR GORE: We have been asked about the position of the American Farm Bureau Federation relative to the extension of the Reciprocal Trade Agreements Act. We favor a 3-year extension of this act, with some improvements. We believe the United States should use its leadership to bring about realistic trade agreements and trade arrangements among free nations to progressively reduce trade barriers and expand mutually advantageous private trade. To this end, the President should be authorized to negotiate changes in United States tariffs and import restrictions, with special emphasis on excessive industrial tariffs and on items with duties in excess of 25 percent ad valorem, in return for concessions from other countries with respect to tariffs, import quotas, exchange controls, and other trade barriers. We should offer more stability in tariff rates and customs for reasonable periods in return for comparable reciprocal benefits.

The Tariff Commission, as well as the President, should be required to take into consideration the national welfare and the international trade interests of the United States in proceedings under this act. Additional legislation to further revise and simplify United States customs laws, regulations and procedures and the elimination of legislation and regulations which require "Buy American," are also badly needed.

The prosperity of all American agriculture is dependent upon the maintenance of a high level of United States agricultural exports. Largely due to the loss of exports, we are now faced with accumulating surpluses, declining prices, and the necessity of diverting from production about 25 million acres in 3 crops alone—wheat, cotton, and corn—in 1954.

The most satisfactory solution to the current farm problem is to expand domestic and foreign markets until they balance agricultural production. If we are to accomplish this result, it is imperative that we put into operation a domestic price support policy which will be consistent with our foreign trade objectives, which will yield the maximum net income for farmers instead of pricing us out of the market at home or abroad.

It is also imperative that we take constructive steps to dispose of existing burdensome surpluses in ways which will not unduly disrupt markets. One of the most effective steps to this end would be the early enactment of S. 2475 with some clarifying amendments.

The American Farm Bureau Federation believes that if we are to maintain and expand trade, the United States should put into operation the programs outlined above. We urge prompt action by the Congress toward the accomplishment of these needed measures.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

DEATH OF HON. JOSEPH R. FARRINGTON, DELEGATE FROM THE TERRITORY OF HAWAII

Mr. SCHOEPPPEL. Mr. President, I ask that the Chair lay before the Senate a resolution coming over from the House regarding the death of Hon. JOSEPH R. FARRINGTON, Delegate from the Territory of Hawaii.

The Chair laid before the Senate a resolution (H. Res. 591), which was read, as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. JOSEPH R. FARRINGTON, a Delegate from the Territory of Hawaii.

Resolved, That a committee of nine Members of the House with such Members of the Senate as may be joined be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect the House do now adjourn.

Mr. SCHOEPPPEL. Mr. President, I submit a resolution, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 265) was read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. JOSEPH R. FARRINGTON, late a Delegate from the Territory of Hawaii.

Resolved, That a committee of two Senators be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Delegate.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. SCHOEPPPEL. As a further mark of respect to the memory of the late Delegate from the Territory of Hawaii, I move that the Senate now take a recess until tomorrow at 12 o'clock noon.

The motion was unanimously agreed to; and (at 6 o'clock and 57 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, June 23, 1954, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 22, 1954:

UNITED STATES DISTRICT JUDGES

Emett C. Choate, of Florida, to be United States district judge for the southern district of Florida, to fill a new position.

Herbert S. Boreman, of West Virginia, to be United States district judge for the north-

ern district of West Virginia, vice William Eli Baker, retired.

IN THE COAST GUARD

The following-named persons to be lieutenants (junior grade) in the United States Coast Guard:

Marion L. Weiss	Richard F. Malm
Kermit R. Meade	Lambert J. Larson
Burton W. Kniseley	Cortland G. Pohle, Jr.
Paul A. Yost, Jr.	John L. Klenk
Henry H. Bell	Earl A. Baker
Philip C. Lutzi	George J. Kashuba

Swain L. Wilson	George J. Roy, Jr.
Phillip B. Moberg	Frank R. Buesseler
Lawrence A. White	Robert W. Witter
John S. Nuzum	Robert N. Pierce
Wilfred Bleakley, Jr.	John G. Martinez
John S. Phillips	Ted L. Gannaway
James P. Randle	Robert A. Moss
George T. Doyle, Jr.	Richard M. Thomas
John H. Fournier	Daniel L. Muir
Richard O. Haughey	George P. Adamson
Richard L. Jacobs	Graham Hall
Louis L. Zumstein	John L. Steinmetz, Jr.
Alfred P. Manning, Jr.	Edward F. Yost, Jr.

Henry Wilks, Jr.
Joseph P. Hratko
Charles E. Martin
Richard Lacy
Hugh C. Wyatt
Robert C. Powell
George E. Maloney
Richard J. Knapp
Robert Russell
Frederick P. Schubert
Raymond C. Bassett, Jr.

Robert B. Grant
Norman S. Morrill
Michael J. Madden
Eugene A. Stroup
Byron W. Jordan
Russell H. Ferrier, Jr.
Raymond P. Litts
Clement H. E. Kerans, Jr.
David M. Kaetzel

4. FARM PROGRAM. The "Daily Digest" states that the Agriculture and Forestry Committee, during consideration of S. 3052, the farm program bill, "announced further tentative agreements which would-- (1) Authorize Secretary of Agriculture to limit use on acreage diverted from price-supported crops as a condition of eligibility for price support on any commodity; (2) repeal marketing quota authority for corn; (3) clarify the Secretary's authority to increase acreage allotments under certain conditions; and (4) make permanent a provision carried in recent appropriation acts for allocation of conservation payment funds on a basis of need, and direct the Secretary to give special consideration to diverted acreage problems" (p. D724).

5. TRADE AGREEMENTS. Continued debate on H. R. 9474, to continue the reciprocal trade agreements program for 1 additional year (pp. 8254-75, 8285, 8291, 8297).

6. FLOOD-CONTROL APPROPRIATIONS. Rejected a motion by Sen. Morse to reconsider the vote on the conference report regarding H. R. 8367, the Army civil functions appropriation bill for 1955 (pp. 8279-84). This bill will now be sent to the President.

7. FARM LABOR. Passed as reported S. 2862, to make special non-quota immigrant visas available to certain skilled alien sheepherders (pp. 8288, 8291-7).

8. COPPER IMPORTS. Passed as reported H. R. 7709, to continue duty-free imports of copper for 1 more year (pp. 8285-8). As passed by the House, the provision would be extended for 2 more years.

9. EDUCATION. Senate conferees were appointed on H. R. 7434, to establish a National Advisory Committee on Education, and H. R. 9040, to authorize cooperative research in education (pp. 8253-4). House conferees have been appointed.

10. DISBURSING. Agreed to the conference report on S. 2844, to make permanent the authority of U. S. disbursing officers to perform certain banking services for employees stationed abroad, etc. (p. 8275). This bill will now be sent to the President.

11. DAIRY INDUSTRY. Sen. Wiley inserted his statement favoring more consumption of dairy products and a Wisconsin Dairying article giving data on this matter (p. 8249).

HOUSE

12. FARM PROGRAM. The "Daily Digest" states: "Committee on Agriculture: Continued executive consideration of the general farm program, and adopted an amendment proposed by Representative Abernethy (Mississippi) which would make the 'normal supply' of cotton for any marketing year the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 20 percent of the sum of such consumption and exports as an allowance for carryover. Also adopted an amendment by Representative Lovre (South Dakota) which would place feed grains under the same support price established for corn. In the afternoon meeting the committee approved miscellaneous provisions relating to peanuts which will be incorporated in the general farm bill." (p. D726.)

13. FAMILY-SIZE FARMS; PRICE SUPPORTS. Rep. Patman spoke favoring family-size farms, inserted CCC tables showing comparison of figures on farm price-support loan, and stated that the present price supports encourage a movement toward big farms (pp. 8318-27).

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 24, 1954
For actions of June 23, 1954
83rd-2nd, No. 116

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HIGHLIGHTS: Both Houses agreed to conference report on agricultural appropriation bill, and House concurred in amendments in disagreement. House and Senate committees made decisions on farm program bill. Both Houses received President's message favoring foreign aid program. Senate passed measure continuing farm housing program 1 month. Senate rejected motion to reconsider Army flood-control appropriations. Senate debated trade agreements bill. Senate passed bill to permit immigration of additional sheepherders. Senate passed bill to continue duty-free copper imports. Rep. Patman spoke favoring family-size farm limit on price supports. House committee decided amounts in foreign aid bill. Rep. Sullivan urged distribution of surplus commodities to needy Americans.

SENATE

1. AGRICULTURAL APPROPRIATION BILL, 1955. Both Houses agreed to the conference report on this bill, H. R. 8779, and the House concurred in the two Senate amendments which had been reported in disagreement (pp. 8253, 8305-7). This bill will now be sent to the President.
2. FOREIGN AID. Both Houses received the President's message recommending amendment and continuation of the mutual security program; to Senate Foreign Relations Committee and House Foreign Affairs Committee (H. Doc. 449)(pp. 8244, 8299-300). The President requested authorization of approximately \$3,500,000,000, of which \$2,748.4 million would be for military aid, \$241.3 million for Korea, \$256.4 million for development assistance, and \$131.6 million for technical cooperation. The Rules and Administration Committee reported with amendments S. Res. 214, providing for a study of technical-assistance programs by the Foreign Relations Committee (S. Rept. 1628)(p. 8245).
3. HOUSING LOANS. Passed without amendment S. J. Res. 167, to continue various housing laws for July 1954 pending enactment of the regular housing bill (pp. 8250-1). This measure authorizes \$8,500,000 additional for loans under the farm housing program administered by this Department, plus additional amounts for contributions under the program.

made today will serve notice to all the nations and peoples of the Western Hemisphere of the dangers which confront us, and will serve to awaken free people everywhere.

Mr. SMATHERS. I thank the distinguished minority leader for his generous words. Coming from one of his stature and position, they gratify me very much.

The sentiments he has expressed will, I am certain, give notice to the nations of the Western Hemisphere of what we propose to do.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the editorial to which I referred a moment ago, which was published in *Diario Las Americas*, the *Americas Daily*, of Miami, Fla.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE UNITED STATES AND THE OTHER GOVERNMENTS OF THE AMERICAS SHOULD HELP ANTI-COMMUNIST GUATEMALAN PATRIOTS

The moment has now arrived for the Guatemalan people to rise up in arms against a dictatorial Communist regime which has allied itself in treasonable fashion with the Soviet Union to the detriment of both national and hemispheric interests, causing the outbreak of a conflict featured by Guatemalan fighting against Guatemalan and provoking the greatest rift in hemispheric security that has occurred in the history of pan-Americanism.

Inasmuch as native Guatemalan Communists have an even greater responsibility toward their own country than do their confreres abroad, their action which has resulted in the shedding of Guatemalan blood will hang heavy in the balance of history. The foreign agents of international communism have been busy negotiating the fate of the Guatemalan people and their dignity as a nation, but the greatest share of the blame must be shouldered by the homegrown traitors to the Guatemalan nation who have compromised the peace and security of their fellow citizens.

Now that the battle cry of freedom has sounded in the midst of flying bullets—a situation that has arisen despite the fact that peaceful means would have been preferable for overthrowing the Communist dictatorship—the titanic struggle facing the anti-Communist people of Guatemala in their fight against the forces mustered by Russia's totalitarian ally has placed the governments of the Americas on a delicate spot. The dilemma confronting them will not admit of half-way measures. Either those governments must be definitely on the side of the freedom-loving people of Guatemala or they must be on the side of a government that is bound to follow the directions which the Kremlin dictates to it.

Because of the extreme gravity of the current situation, because of the fact that a handful of brave men have launched themselves on a war to liberate their people and preserve American solidarity, and because of the fact that a force of Guatemalans are laying down their lives to fight a Soviet spearhead aimed at the heart of the Americas, the governments of this hemisphere should hasten to lend their moral and their material support to those in the land of the Quetzal who are confronting an ally of Soviet imperialism. The patriots fighting today in Guatemala find themselves face to face with a government that recently received a \$10 million shipment of arms from behind the Iron Curtain.

To abandon the Guatemalans at this time during a battle with historic significance for them and for the entire Western Hemisphere

would be an act of injustice toward any people and it would be a gratuitous slap in the face to the fate of all the nations of the Americas. Just as happened in the case of Korea, when the immediate fate of the Americas was not directly involved, the Government of the United States should back up the anti-Communist forces of Guatemala, and it should be joined in this by its fellow American nations. Washington officials should not be alarmed that such action might be misinterpreted as an act of aggression against Guatemala; on the contrary, it could only be construed as intervention on the behalf of that nation. The current battle isn't directed against the Guatemalan people, but rather against a government that is being supported by the Kremlin. The nations of the Americas must not fail Guatemala in this historic moment.

The Communist-backed military might of the present Guatemalan Government must not be allowed to overwhelm the movement of liberation that has been initiated amidst bullets and sacrifices by a group of patriots inasmuch as hemispheric security would thereby be placed in jeopardy and the national dignity of Guatemala would be trampled underfoot.

Mr. SMATHERS. I thank the able Senator from Tennessee [Mr. GORE] for having yielded to me.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8779) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1955, and for other purposes, and that the House receded from its disagreement to the amendments of the Senate numbered 1 and 20 to the bill, and concurred therein.

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 129. An act to amend the act of August 30, 1935 (49 Stat. 1049), authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

S. 932. An act to equalize the treatment accorded to commissioned officers of the Veterinary Corps with that accorded to commissioned officers of other corps of the Army Medical Service, and for other purposes;

S. 1665. An act to amend the Federal Credit Union Act;

S. 2212. An act for the relief of Alma S. Wittlin-Frischauer;

S. 2742. An act to amend the act of August 21, 1951, relating to certain payments out of Ute Indian tribal funds;

S. 2777. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

S. 2845. An act to amend section 3528 of the Revised Statutes, as amended, relating to the purchase of metal for minor coins of the United States;

S. 3103. An act to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941;

S. 3364. An act to amend the act of October 31, 1949 (63 Stat. 1049); and

S. 3481. An act to amend sections 23A and 24A of the Federal Reserve Act, as amended.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 23, 1954, he presented to the President of the United States the following enrolled bills:

S. 129. An act to amend the act of August 30, 1935 (49 Stat. 1049), authorizing the Chippewa Indians of Wisconsin to submit claims to the Court of Claims;

S. 932. An act to equalize the treatment accorded to commissioned officers of the Veterinary Corps with that accorded to commissioned officers of other corps of the Army Medical Service, and for other purposes;

S. 1665. An act to amend the Federal Credit Union Act;

S. 2212. An act for the relief of Alma S. Wittlin-Frischauer;

S. 2742. An act to amend the act of August 21, 1951, relating to certain payments out of Ute Indian tribal funds;

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S. 3103. An act to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941;

S. 3364. An act to amend the act of October 31, 1949 (63 Stat. 1049); and

S. 3481. An act to amend sections 23A and 24A of the Federal Reserve Act, as amended.

AGRICULTURE DEPARTMENT APPROPRIATION BILL, 1955—CONFERENCE REPORT

Mr. YOUNG. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8779) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1955, and for other purposes, and I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Tuesday, June 22, 1954, p. 8187, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. GORE. Mr. President, reserving the right to object, I understand that the conference report was unanimously approved by the conferees.

Mr. YOUNG. Yes. The report was unanimously approved by the conferees.

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

NATIONAL ADVISORY COMMITTEE ON EDUCATION

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the

Senate to the bill (H. R. 7434) to establish a National Advisory Committee on Education, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMITH of New Jersey. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SMITH of New Jersey, Mr. COOPER, Mr. UPTON, Mr. MURRAY, and Mr. HILL conferees on the part of the Senate.

WHITE HOUSE CONFERENCE ON EDUCATION

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 7601) to provide for a White House Conference on Education, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMITH of New Jersey. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SMITH of New Jersey, Mr. COOPER, Mr. UPTON, Mr. MURRAY, and Mr. HILL conferees on the part of the Senate.

COOPERATIVE RESEARCH IN EDUCATION

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 9040) to authorize cooperative research in education, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMITH of New Jersey. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SMITH of New Jersey, Mr. COOPER, Mr. UPTON, Mr. MURRAY, and Mr. HILL conferees on the part of the Senate.

TRADE AGREEMENTS

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

Mr. SMATHERS. Mr. President, will the Senator from Tennessee yield to me, for the purpose of suggesting the absence of a quorum?

Mr. GORE. I yield.

Mr. SMATHERS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WATKINS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Mr. President, the United States foreign-trade policy is one of the most important questions the Congress will consider this year. It is the cornerstone of our foreign policy. It is the weathervane that points to fair or foul weather in our domestic economy. The foreign-trade policy we adopt can mean the difference between prosperous export trade and falling prices and unmanageable surpluses. It can mean the difference between a high level of employment and unemployment for American workers. It can mean the difference between prosperity and depression for American business. It can mean the difference between allied economic solidarity and stagnation of trade and economic division in the free world.

The President of the United States, in his foreign economic policy statement of March 30, gave eloquent testimony to the need for adoption by the Congress of the amendment which I have offered. He said:

The United States stands ready and able to produce and sell more than the rest of the world can buy from us. The inability of many foreign countries to buy our goods in the volume we would like to sell does not arise from any lack of desire for these goods. Such is far from the case. Instead it arises out of the inability of these nations to pay—in dollars—for the volume we have to sell.

Dollar grants are no lasting solution to this impasse. * * * The solution is a higher level of two-way trade. Thus we can sell and receive payment for our exports and have an increasing volume of investment abroad to assist economic development overseas and yield return to us. Greater freedom from restrictions and controls and the increased efficiencies which arise from expanding markets and the freer play of economic forces are essential to the attainment of this higher trade level.

Mr. President, the amendment which I have offered on my own behalf, and on behalf of 24 other Senators, is designed to accomplish those objectives which President Eisenhower so forthrightly outlined.

As the President submitted his program on March 30, he called it the minimum which he considered essential. And with that characterization I thoroughly agree. I was sorely disappointed that the President did not go further in his recommendations for trade liberalization, but I think he was taking a step in the right direction, and I rise now to support that step in the right direction.

I think the program he outlined is the absolute minimum which must be enacted. I agree implicitly with his warning that "Failure to so move will directly threaten our domestic economy, for it will doom our efforts to find ways by which others, through their own efforts, can buy our goods."

Mr. President, to enact only a 1-year extension of the reciprocal trade agreements law means that once again we will do nothing to bolster our sagging world trade. It means that for another year the President will not have the minimum weapons he needs to meet and counter the growing threat of the Communist trade offensive. It means that our markets abroad will continue to contract and ultimately vanish. It means that for another year our customers abroad will wonder what our long-range trade policy will be, when finally we make up our minds. It means that the Soviet and Red Chinese trade bait will look more and more tempting to our allies as they grow more and more restive and uneasy, waiting for the United States to study the question further, and perhaps eventually make up its mind.

Mr. President, the amendment I have offered upon behalf of myself and other Senators is in the nature of a substitute for the bill passed by the House of Representatives and reported to the Senate by the Finance Committee which provides merely for a 1-year extension of the existing law. The provisions of my amendment are substantially a verbatim version of H. R. 8860, introduced in the House of Representatives by Representative KEAN, of New Jersey. I am informed that members of the staff of the Randall Commission and officials of the executive department of the Government participated in the drafting of the bill. The amendment embodies the original recommendations of the administration.

In order that the Senate may be fully informed as to the scope of the amendment, I propose to take a few minutes of the Senate's time to explain its provisions.

Section 2 of the amendment provides for a 3-year extension of the basic authority of the President to negotiate reciprocal trade agreements. This 3-year extension will provide some assurance to our friends abroad with respect to the continuity of United States trade policy.

The basic authority for negotiation of trade agreements is contained in section 350 of the Tariff Act of 1930, as amended. Section 3 of my amendment makes certain modifications of existing law as recommended by the President.

Mr. President, I shall not repeat the detailed explanation of the bill, since it can be found in the CONGRESSIONAL RECORD.

At this time I wish to analyze the conditions of world trade, and indicate the necessity of acting now to adopt a liberalized foreign trade policy.

Last year the administration and the Congress delayed taking definitive action on an international trade program. It was argued—with some justification, I think—that time was needed for the new administration to study and familiarize itself with the problems of world trade. So we marked time by enacting a simple 1-year extension of the Reciprocal Trade Agreements Act. This meant that we would do nothing. And we did nothing, not one new trade agreement was made.

During that year of inaction on our part, the Russian and Chinese Commu-

nist trade overtures to the free nations of the world met with alarming success. Already Russia had concluded trade agreements with 15 of our allies, and Red China with 13. Both Red nations are moving relentlessly to broaden the scope and step up the tempo of trade with these allies of ours, allies who for years have been our best customers, allies upon whom we have depended to sell much of our surplus production.

The Reds are driving hard to take over our foreign markets and to leave us stuck with huge unsalable surpluses. They are trying desperately to establish trade relations with our allies, because they know full well that economic ties are pipelines of political influence. I am firmly convinced that the Communist trade offensive is but the economic arm of the Kremlin's plan for world conquest.

We have, meanwhile, as I have said, done nothing in the past 18 months to bolster our sagging foreign trade; and now it is proposed that we continue to do nothing. To such a course I cannot accede without protest.

The study asked for last year has been made; and based upon that study, the President on March 30, submitted cautious recommendations for liberalizing international trade; and with his report he issued the warning that "if we fail in our trade policy, we may fail in all."

Mr. President, I should like to read again the warning by the President of the United States, so recently sent to this body:

If we fail in our trade policy, we may fail in all.

That is a clarion call for action. The study has been made, and the recommendation has been made. Now is the time to act. However, instead of action, we are asked to preserve what the protectionists are pleased to call the status quo. Mr. President, American workingmen who are losing their jobs because of the status quo do not favor it. Farmers whose foreign markets are vanishing are not in favor of the status quo. American business, feeling the pinch of last year's billion-dollar loss in export trade, does not favor the status quo. Instead, they want action. The requirements of the free world demand action, too. Are we to stand still, powerless to meet the threat of the Communist economic offensive? Are we to mark time for another year, while the Communists move boldly to capture our overseas markets and entice our allies into the Communist trade orbit? I fear that if we content ourselves with a 1-year extension of the Reciprocal Trade Agreements Act, the answer is "Yes."

The fact is that the authority to reduce tariffs under the act, which expired on June 12, is almost all used up. With the possible exception of negotiating an agreement with Japan, which may be impossible within a year's time—and later I shall make further reference to it—virtually no further reductions in tariffs would be possible under a simple 1-year extension. It would but continue the prevailing uncertainty.

International trade is a long-range affair. Under a 1-year extension our allies

will not be able to make long-range plans for participation in our market. Our allies will be unable to quote firm prices on orders which require more than a year to fill. Neither they nor we will be able to move with vigor and assurance to establish markets, for markets are not built in a year.

It is imperative that we let our friends abroad know what trade policies they can expect from us in the future, beyond June 12 of next year. We simply cannot afford to keep them on pins and needles, wondering each year what the next year will bring in the way of American trade policy.

It is urgent that we enact this year the program the President recommended on March 30. It is necessary that we give the President authority to stimulate trade among the free nations through selective tariff reductions. Such stimulation will go far to meet the Red trade offensive by giving our allies an alternate market for their surpluses. Also, it will create new markets for our own surpluses that are piling high in the Commodity Credit Corporation's storage bins and in industrial warehouses, with resultant unemployment of our working people. It will strengthen the bonds of friendship that bind the free nations together, if we will act forthrightly now, and it will do much to bolster their economies. Moreover, Mr. President, it will permit a large reduction in our foreign economic-aid programs.

The United States is the center of the free world economic system. We account for half the total production of the non-Communist world. We are the world's largest exporter and its largest importer. The economies of the free nations of the world are based upon our economy, and they watch us closely for any hint of change in our way of doing business. Further delay in adopting a long-range trade program adapted to the present-day economic facts of life is almost certain to cause a nervousness in the free world markets, a fear that in our vacillation, we may swing again toward a return to Smoot-Hawley days.

Though the administration may sincerely disavow the intent to turn back the clock to trade practices of the late twenties and early thirties, the high protectionist pressures abroad in this land—abroad, too, in the corridors of the Capitol right now—are enough to feed the fears of our allies. And the fact that the administration was unwilling to fight for its program this year will not be very reassuring to them.

Inaction on the part of Congress, and a mere 1-year extension will encourage apprehension among the free nations that we may be ready to lead the free world down the road to economic chaos and ruin like that which followed World War I.

Of course, many causes contributed to that great disaster, but chief among them were the international trade policies pursued by our Nation and other countries of the world following World War I.

That war had left a legacy of destruction, profound maladjustments, and dislocations. Reconstruction demanded the

fullest use of the natural resources of the world, and the achievements of science, technology, economic knowledge, and economic interchange.

But such trade did not occur. Instead, our Nation and others embarked upon the road of narrow economic nationalism.

For a time the seriousness of the situation was obscured by reckless international borrowing and lending which took place for more than a decade following the war. The collapse, sooner or later bound to come, struck with a force that spared none, spreading economic ruin and depression throughout the world.

Still chasing the mirage of narrow nationalism and fancied self-sufficiency leaders of the world at that time, our own country included, made the fatal blunder of trying to cure our ills by increasing the dosage of the very poison that had brought our downfall. Unsalable surpluses piled up, arteries of commerce became choked and clogged, while millions of men became hungry and desperate, while farmers lost their farms through mortgage foreclosures. They had lost their markets, their opportunity to sell what they produced.

I say to the distinguished lady Senator, so new in this body, that the wheat producers in her area of the country are now facing the same prospect. A little later in my address I shall cite figures graphically to illustrate that point.

By 1933 some kind of emergency action had to be taken. Fortunately we had in our midst a man with foresight and wisdom, a man who visualized new horizons of expanded trade. He was a fellow townsman of mine from the hill country of Tennessee, former Secretary of State Cordell Hull. I am extremely proud of him and of his record. Boldly he strode forward and proposed the reciprocal trade agreements program to Congress.

Our own farmers and workers needed markets and jobs. Cordell Hull knew that to sell abroad, we would have to buy from abroad. He knew that trade was a two-way street. Exports and imports, he explained, are interdependent. To induce others to lower their barriers to our merchandise, we must be willing to reciprocate. So he asked the Congress to give the President authority to make reciprocal agreements with other nations for the reduction of tariff barriers and other impediments to trade. The 73d Congress gave the President that authority on a temporary emergency basis.

The formula worked. It served to help lift us from the depths of a great depression. It helped to hold together the free world economy and to fashion the sinews of victory in a horrible world war. It aided the heartbreaking reconstruction that followed the war. And now, following World War II, this same program, with amendment and improvement, with the liberalization recommended by President Eisenhower, can become a mighty weapon for bolstering our sagging export trade and building allied economic solidarity.

Once again, as was the situation following World War I, all the resources of the free world and all the science and

technology are needed. So is the economic interchange of the products of men's labor.

At the end of World War II, these allies, formerly good customers of ours, lay devastated. To a large extent they had to liquidate their holdings abroad to carry on the war, and at the war's end they found themselves in a perilous situation. They could not produce what they needed to rebuild their shattered industry and barren agriculture, and they did not have the dollars to buy what they needed from us. In addition to their destitution, they were faced with a new threat—Russian communism, with its military threat, its economic offensive, and its political and subversive penetration.

In this situation, the reciprocal trade program by itself, obviously, was not enough. True, it facilitated the exchange of what little our allies had to trade. But until their industry and agriculture were rebuilt, they had little to trade. So the reciprocal trade program had to be supplemented with our foreign aid program—a program to get our allies back on their feet so they could trade again, a program designed to keep them from falling prey to an omnivorous Kremlin.

To our everlasting credit, as I see it, we recognized that our safety was bound up with the safety of our allies, that our long-range prosperity was contingent upon their prosperity, that our peace, indeed, was contingent upon their peace, that it was to our advantage to help rebuild their industries and agriculture, to help shore up their tottering economies. So we came forward with the Marshall plan and other plans for economic aid, rehabilitation, and military assistance.

To date we have spent more than \$60 billion in economic and military aid to the nations of the free world. We have helped them along the road to recovery. Much of that money we spent went to bridge the dollar-gap between exports and imports. With this aid our exports grew, until last year they reached \$15.7 billion. Had the gap not been bridged, the recovery of our allies would have been impossible, and our trade would have dwindled to dangerously low levels.

The free nations of the world have made remarkable recovery and they are eager to resume two-way trade. They must have trade, otherwise the industry and agriculture they have rebuilt will stagnate.

Though their recovery is remarkable, some of their economies are still shaky, and their currencies are not freely convertible. Others are under direct threat of Red economic and military aggression. For some the choice is trade or starvation. The President took cognizance of this situation in his recommendations of March 30, when he said:

Unless we are prepared to adopt the policies I have recommended to expand export and import trade and increase the flow of our capital into foreign investment, our friends abroad may be discouraged in their effort to reestablish a free market for their currencies.

They want to trade with the United States. They want to trade with the free world.

Our friends abroad are ready to resume trade. Their productivity, thanks to their effort and our help, is above pre-war levels in most cases. Yet barriers to trade leave them all dressed up with nowhere to go, so to speak. As the President said:

Dollar grants are no lasting solution to this impasse.

We should no longer try to fill the dollar gap with major grants.

The solution is a higher level of two-way trade.

Those are the words of President Eisenhower.

The reciprocal trade formula that Cordell Hull gave us is still good, but, as the Randall Commission found, it needs revision. Even the best of programs must be kept abreast of the times, must be nourished from time to time with new enthusiasm and new ideas and improvements. The basic formula is still good and it will still work. A higher level of international trade still equals greater prosperity for American agriculture, for American labor, and for American business, and it still means economic solidarity for the free world. The Pythagorean theorem still works on any triangle, but the figures in the equation have to be changed as the length of the legs of the triangle change. Such is the case with the reciprocal trade program. All we need to do is substitute new factors in the equation to meet new circumstances.

"But," say those who counsel inaction, "give us more time to study."

Surely, Mr. President, this argument that more time for study is needed is not valid. When the reciprocal trade program was first enacted, its authority was extended for only 3 years. It was intended that at the end of the 3 years the Congress should review its application and operation. Congress did review the application and found that the program had worked well. So it voted another limited extension. In all, the program has been extended eight times, and each time appropriate committees of Congress have reviewed its application and found it worthwhile. Congress has, in fact, maintained a continuing study of our foreign commerce over the past 20 years. Each time the program came up for extension, extensive hearings were held and all who were interested were given an opportunity to testify.

For example, in 1940 the Ways and Means Committee held hearings for 20 days and these hearings filled 2,893 pages. In that same year the Senate Finance Committee held 9 days of hearings, filling 867 pages of testimony. On the 1949 extension, the Ways and Means Committee held hearings for a week and the Senate Finance Committee held 16 days of hearings. Only last year the Ways and Means Committee held 16 days of hearings and filled 2,028 pages. These recent hearings are available to all. The hearings, held over the past 20 years, are available to all. Since that time other studies have been made,

I digress to say that no problem has been so thoroughly studied by Congress as has the question of trade and the question of tariff policy.

Not only has Congress studied the situation, Mr. President, so have many other governmental commissions and committees. The reports for all these commissions have recommended a reduction of United States trade barriers, and a reciprocal reduction by other countries. I know of not one exception to that statement. Let me cite some of the commissions which have worked on this problem.

In 1950, Mr. Gordon Gray, former Secretary of the Army, undertook a job as Special Assistant to the President. He was called upon to make recommendations for charting the course of the United States in the field of foreign economic policies and programs. The Gray Report, issued in November of 1950, recommended that trade barriers be lowered. That report on pages 78 and 79 says:

There is a need to reduce import barriers not only to augment our already strained sources of supply but, by increasing the possibility of dollar earnings by Western European countries, to limit their requirements for economic assistance from the United States. * * *

The cornerstone of United States tariff policy since 1934 has been the reciprocal trade agreements program, under which the United States has negotiated, on a reciprocal basis, extensive reduction in United States import duties. * * * This program is admirably designed to continue to serve as the vehicle for the long-run tariff policy of the United States.

Mr. William H. Draper, who served as our special representative in Europe, reported to the President in August of 1952 on the political, military, and economic development in Europe during the 6 months ending June of 1952. In a discussion of our economic-aid programs, he had this to say:

During the past few years * * * we have been taxing our own people to pay for the huge excess volume of resources—both raw materials and manufactured goods—which we have been shipping to Europe.

I digress to say to my friend, the distinguished senior Senator from Delaware [Mr. WILLIAMS], that I hope the time will come when we can sell and be paid in full. I hope the time is not too far away when we can end economic aid, the gifts of money, with which European countries buy our goods.

I return to the quotation from Mr. Draper:

To maintain our present volume of export trade, and at the same time to be paid in full, we must greatly increase our imports from Europe and from the other parts of the world.

If this simple truth were clearly understood and accepted by our own people, regardless of party, the next administration—

This was before the change in the administration and before the new Congress came into office—

and the new Congress would doubtless find ways and means to gradually accomplish the desired results. Among other methods to this end, I would suggest reaffirmation and extension of the reciprocal trade agreements

program, enactment of proposed legislation for simplified customs procedures and the progressive lowering of other import restrictions and duties. Such a policy would increase Europe's capacity to pay without correspondingly reducing our exports. I believe adoption of this policy would directly benefit the United States by increasing its economic, and eventually its military, security.

It is pretty hard to misunderstand the import of Mr. Draper's recommendations. They are blunt and forthright.

In June of 1952 still another Commission reported. This was the Paley Commission—the President's Materials Policy Commission. The Paley Commission made recommendations "for policies and programs which they believed will help the United States and the free world toward greater economic and industrial strength and reinforce our joint security against aggression."

The Paley Commission found:

The Commission believes that the reciprocal trade program should be carried forward and its authority expanded. Under this time-tested system the Government should continue to reduce duties on raw materials in which the United States is deficient.

During the latter part of 1952, the Public Advisory Board for Mutual Security made a searching reexamination of United States trade and tariff policies. This Board was made up of representatives of agriculture, labor, business, and other distinguished citizens, and was headed by Daniel W. Bell. The Bell report, released in February of 1953, had this to say about trade restrictions:

Immediate action in formulating and carrying out a better United States trade policy is in the national interest and is vital to the strength and unity of the free world. Unless this country is prepared to increase its imports, * * * the United States exports will decline and American industry and agriculture will be seriously affected.

Mr. President, I wish to point out that this prophecy by that Commission of outstanding men, under the chairmanship of Mr. Bell, was made in February of 1953. In the light of what has happened since that time, I wish Senators would examine the validity of that prediction. Let me repeat:

Unless this country is prepared to increase its imports, * * * the United States exports will decline and American industry and agriculture will be seriously affected.

Later on in my address I shall detail how seriously American agriculture, American business, American labor, and American economy have been affected by the loss of our export trade. Continuing the quotation:

Our guiding aim should be, by national and international action, to increase production, trade, and consumption of goods, and to eliminate unnecessary trade barriers and all forms of discriminatory treatment in international commerce, thus contributing to an expanding world economy, to the establishment and maintenance in all countries of rising levels of employment and real income, and to the creation of economic conditions conducive to world peace.

Mr. SPARKMAN. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. SPARKMAN. I do not wish to anticipate anything the Senator from

Tennessee may say later in his speech, but I was particularly attracted by the very end of the quotation which he read. The able Senator disgressed a little from the quotation to say something about what he would discuss later in his very excellent speech—the impact on American industry and agriculture by reason of our failure to develop a good, lively, healthy world trade. In the concluding remarks of Mr. Bell he said: "and to the creation of economic conditions conducive to world peace."

I am of the opinion that one of the great problems confronting us today is how we are going to make a contribution to world peace by encouraging a good, healthy trade relationship among the nations of the world, particularly the free nations of the world.

I believe it has been freely predicted that if the Kremlin is ever able to break down the alliance which has been steadily growing among the free nations of the world, it will be through the channels of trade. Of course, we see nations, particularly in Western Europe, drawn inevitably toward the Iron Curtain countries by various demands in connection with trade. They are required to trade with those nations under present conditions. If the Senator does not intend to comment on that phase of the subject later on, I wish he would comment on it at this time.

Mr. GORE. I have already commented on it to some extent, and expect to comment further, later on in my remarks, but I shall at this time give a brief response to the able commentary of the distinguished Senator from Alabama. What he has said illustrates the fact that trade is a two-edged sword—not only a two-way street, but a two-edged sword. Our foreign-trade policy must be coincidental to our foreign policy because friendship follows the trade routes. If we are able to maintain the mutually healthy trade relations of the free world community, we shall have lasting ties of friendship. If, however, we lose those ties and they are acquired by Red China and Red Russia, then the advantage of the trade route is on their side.

As I said earlier, it is already indicated how effectively they have moved in the past year and a half while we have been doing nothing. While we have a do-nothing policy with reference to foreign trade, Russia has entered into trade agreements with 15 nations whom we regard as our allies. Red China has entered into trade agreements with 13 nations whom we regard as our allies. Does the Senator think that is conducive to the kind of peace which the United States desires?

Mr. SPARKMAN. If the Senator will yield further, of course I think that is a very well and carefully thought-out design in which the Kremlin has engaged, with the purpose of drawing away from us, easily and more or less painlessly, nations which we thought were bound to us by ties of friendship. It was bound to have an effect, because there are certain necessities which such nations cannot overlook.

A few days ago there was a little exchange on the floor somewhat along this

line. As I recall, I remarked that only a few days before that someone who I had good reason to believe knew what he was talking about, was telling me about the great need in Italy of coal. The Italians would willingly buy American coal at \$18 or \$20 a ton, for that would be the price at which it could be bought, except for the fact that they have no dollars with which to buy it. But Russia, on the other hand, was glad to work out a plan whereby Italy could obtain coal from Poland. A similar plan could be worked out with Denmark and with other countries.

The free countries of Europe must have these articles. If they cannot get them from us, then, of course, they will turn to whatever place from which they can get them.

The Senator from Tennessee has well pointed out the fact that both Soviet Russia and Red China have taken steps to make it easy for the countries of Europe to trade with them and with their satellites. In other words, everything possible has been done to encourage such trade and to make it possible for the countries of Europe to obtain the things they need from whatever country where they may be available, under the sphere of influence of the Kremlin.

Mr. GORE. I thank the Senator from Alabama for his statement. I heard the remarks of the able Senator a few days ago, to which he has made reference. I was surprised at that time to hear the statement made that American coal could undersell Polish coal in Western Europe. I did not question the accuracy of the Senator's information, but I must say that I was surprised at the time, so I made inquiry about it. The Senator's statement is verified by the facts. The Coal Exporters Association of the United States has informed me that it can successfully meet the competitive price for coal in Eastern or Western Europe. Furthermore, when compared with price and quality, American coal can undersell Eastern European coal. Yet what do we find? I should like Senators who are disturbed about unemployment among coal miners to consider this.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MANSFIELD. The Senator from Tennessee is delivering a very able speech, and he is quoting the remarks of a number of distinguished Americans relative to the situation in respect to our foreign trade policy. If I may have the attention of the Senator for a moment, I desire to read a quotation from a statement by a distinguished American, which I am certain the Senator will find to be of interest. On July 3, 1951, this man said:

Progress is hobbled by a web of customs barriers interlaced with international agreements, multilateral cartels, local shortages, and economic monstrosities. How tragic. Free men, facing the specter of political bondage, are crippled by artificial bonds that they themselves have forged and they alone can loosen. Here is a task to confront the wisest statesmen, the best economists.

That remark was made on July 3, 1951, by Gen. Dwight D. Eisenhower, who was

then Supreme Commander of the Allied Forces in Europe.

As I understand the Senator's statement, he is backing up the President's original contention that he should have a 3-year extension of the reciprocal trade program. Is that correct?

Mr. GORE. I am supporting the request of the President in his message to Congress on March 30. I may say now that the public address by President Eisenhower last evening strongly supports the amendment which I have introduced, and strongly supports the statement by General Eisenhower in 1951, which the distinguished Senator from Montana has just read.

Mr. MANSFIELD. Yes, I think the Senator from Tennessee is doing the President a real service in carrying out the President's program as he originally requested it, and certainly as it is in accord with the recommendations of the Randall Commission.

I think we have had enough in the way of postponement and the creation of numerous commissions to study problems to which we already know the answers. I sincerely hope that the Senator from Tennessee is successful in his endeavor to back up the President's program, because I believe it to be in the national interest.

Mr. GORE. I thank the distinguished Senator from Montana. He is one of the really thorough students of international affairs in this body and in America. It is because of his latter statement that I am supporting the program of the President. I believe it to be in the national interest. I believe it to be in the interest of peace and security in a free world.

Mr. SPARKMAN. Mr. President, will the Senator yield before leaving this point?

Mr. GORE. I yield.

Mr. SPARKMAN. I am glad the exchange between the two able Senators has made clear the point that the proposal of the Senator from Tennessee is really in support of the President's program. To be frank, I had been a little disturbed to know where we who are co-sponsors of the amendment offered by the Senator from Tennessee stood on the question. I did not know whether we were to be classed as opponents of the President or as coattail riders. As someone close to the President has described us, whenever we opposed the President's program, he said we were opposing for the sake of opposing; but when we supported the President's program, we were coattail riders. I suppose that in this case we are coattail riders. Is that correct?

Mr. GORE. I beg to suggest a different title for our group, which I am happy to say is growing. We are bipartisan supporters of an enlightened foreign trade policy.

Mr. SPARKMAN. The remark I made was wholly facetious. I entirely agree with the Senator from Tennessee. I think that when this session of Congress comes to an end, we on this side of the aisle can chalk up an impressive record of trying to have enacted the impressive program which the President submitted to Congress earlier in the year.

If I may return to one point, before we leave this particular part of the discussion, the Senator from Tennessee made a statement with which I am concerned, namely about the economic welfare of the coal miners of the United States. We speak about being undercut in the sale of coal to our allies in Europe. There is in my State a county, the principal industry of which is coal mining. The population of that county is 63,000. Today, 24,800 persons are on relief.

Mr. GORE. The same situation prevails in the State which is represented so ably by the distinguished senior Senator from Kentucky [Mr. CLEMENTS].

Mr. SPARKMAN. Yes; that is true wherever there is coal mining. In the county to which I have reference, the unemployment situation is almost as bad as it was in the dark days of the early 1930's.

I was utterly amazed to learn that in that one county of 63,000 population, 24,800 are living today in conditions we do not like to hear described, and they are living because of the availability of surplus farm products which the Government has been distributing there.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLEMENTS. I can confirm what the distinguished Senator from Alabama has said. There are breadlines in the coal-mining areas of my State. As a matter of fact, Kentucky and West Virginia are the two States in the Nation in which unemployment is the greatest; and a large percentage of the unemployment in the coal-mining areas is not only among coal miners, but among persons who are dependent for their living upon successful coal operations.

Mr. GORE. I, too, represent a number of unemployed coal miners. I venture the prediction that if the do-nothing foreign-trade policy is not changed, more coal miners will become unemployed.

Not only are we losing markets for coal, but as we lose markets for iron and steel products, there results a lessened demand for coal with which to fabricate such iron and steel products, and that causes more unemployment. Jobs are lost in the railroads which move coal cars to the ports. In fact, whenever we lose \$5,500 worth of exports, it can be chalked up that one job for an American worker has been lost.

The coal miners have a deep interest in maintaining foreign markets and export trade. As has been cited in the Senate, Western Europe is now buying coal from behind the Iron Curtain. Why? Not because the purchasers of the coal would not prefer American coal, not because American coal cannot compete both in quality and price, but because the purchasers do not have the American dollars with which to pay for our coal. If we establish mutually beneficial and prosperous trade relations, more American coal could go into the furnaces and onto the hearthstones of Western Europe.

In view of the known facts, which seriously affect our own economy and that of the free world, it is difficult to

understand why we are now being asked to continue a do-nothing policy. I have indicated that the only suggestion I have heard by way of a reason for inaction is that further study be given to the question. Prior to the colloquies with my distinguished colleagues, I had cited several studies that had been made. I now wish to cite a few more, and also to read the conclusions, which, without exception, recommend a liberalized foreign-trade policy.

In August of 1953, Lewis W. Douglas, a distinguished public servant of long standing, made a report to the President on his mission, following financial and economic conversations held between representatives of the United States and the United Kingdom at Washington in March of last year. In the report Mr. Douglas gave his views on the questions of trade and currency, particularly as they relate to the problem of imbalance between British sterling and the dollar. He stated:

It is for us as soon as possible to commence to remove from our own policies the impediments to freer trade and currencies. * * *

Long ago we became the world's greatest creditor. We can no longer pursue the protectionist policies of a debtor nation and hope to escape from government intervention, restrictionism, state planning and discrimination against American products in the international markets.

In November of 1953, Mr. Milton S. Eisenhower, brother of the President, made a tour of Latin America at the direction of the President to seek ways in which the traditional bonds of friendship between the United States and the nations of Latin America might be strengthened. Among the recommendations for strengthening economic relationships, the President's brother urged:

That the United States adopt and adhere to trade policies with Latin America which possess stability, and with a minimum of mechanisms permitting the imposition of increased tariffs or quotas. I consider this matter of stability and consistency the outstanding requirement.

The nations of Latin America pay for what they obtain from us. Their purchases from us are governed almost wholly by the volume of our purchases from them.

In addition to all these studies, in addition to all the congressional hearings, in addition to the magnificent study given to the problem by the distinguished Senator from Colorado, the Randall Commission, composed of outstanding Americans, and bipartisan in character, made an exhaustive study and report. Based upon that report, the President submitted his recommendation and urgently requested action.

No, Mr. President, further study is not our need. Now is the time for action. Further study would be sheer procrastination.

Mr. President, I was disappointed to learn that the distinguished and illustrious Senator from Colorado [Mr. MILLIKIN] did not endorse the report of the Randall Commission, but, instead, submitted minority views. I had hoped that eventually our distinguished friend would discover that he was in the majority. His party controls the Congress; the President is a member of his party; yet

my distinguished friend nevertheless submitted minority views.

Mr. President, no trade policy can serve the needs of the United States unless adequate account is taken of the effects of that policy on America's ability to defend herself.

America's military defense demands require essential domestic production, of course, but it also demands imports of raw materials and products not available in the United States. It requires, too, strong friends.

We hope to have enough of the essential materials on hand so that if war should break out unexpectedly, strategic stockpiles and production would tide us over the initial emergency.

Our stockpile program is one means by which we are protecting ourselves from being caught short in an emergency. Our stockpile goals have been set by estimating the amounts that an emergency would require, taking into account the production which could be expected from the United States, Canada, Mexico, and other accessible sources. As of March 1954, we had substantial stockpiles in 75 critical commodities, totaling about 70 percent of our stockpile goals, and representing a total value of \$4 to \$5 billion. But an emergency might prove these goals woefully inadequate.

Then, not all scarce products can be stockpiled. For example, ground lenses, jeweled bearings, and certain machine tools, which may be badly needed in large quantities in time of crisis, must be shaped to particular specifications; and these specifications change with such rapidity that a complete stockpiling program is not feasible. Indeed, a complete stockpiling program is not at all feasible.

Moreover, new developments create new necessities, adding to our requirements.

Technological and military advances, such as the new bomb sight, new radar equipment, guided missiles, jet and tank engine parts, offer dramatic examples of the use of strategic materials. Copper, quartz, crystals, mica, nickel, cobalt, tungsten, manganese, columbium, and uranium are only a few of the materials essential to the manufacture of modern equipment for modern war.

We already consume approximately half the industrial raw material output in the free world; and changes within the past decade have made it evident that our current requirements for a wide range of metal and mineral products have outstripped the productive capacity of our domestic industry and resources.

Allies are, in fact, militarily essential. We cannot, in spite of our tremendous economic and military strength, go it alone, as some soft-hearted, head-in-the-sand thinkers would have us try to do. America spends billions of dollars annually on military production; and, as all of us know, military production is a voracious consumer of raw materials.

Where does America get its strategic materials for its own and the free world's military production?

Mr. President, the distinguished junior Senator from Montana [Mr. MANSFIELD] recently propounded to me, on the floor

of the Senate, a question about our resources of strategic materials and the necessity for the United States to depend upon foreign sources of such materials. I wish to call his attention to the few to which I shall now refer.

From the Belgian Congo we get most of our cobalt, for which we are 95 percent dependent upon foreign supply.

From Nigeria we get columbium, for which we are heavily dependent on foreign supply.

From Mexico and Canada we get copper, for which we are 35 percent dependent on foreign supply.

From Chile and Canada we get our iron ore, for which we are 8 percent dependent on foreign supply.

From India and other countries we get manganese, for which we are 90 percent dependent on our foreign supply.

From India and Brazil we get mica, for which we are heavily dependent on foreign supply.

From Canada we get nickel, for which we are very heavily dependent on foreign supply.

From southeast Asia and Bolivia we get tin, for which we are almost completely dependent on foreign supply.

From Bolivia, Portugal, Spain, and Brazil we get tungsten, for which we are 52 percent dependent on foreign supply.

Mr. MANSFIELD. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. BARRETT in the chair). Does the Senator from Tennessee yield to the Senator from Montana?

Mr. GORE. I yield.

Mr. MANSFIELD. In line with what the distinguished Senator from Tennessee has been saying—and it is most important, because it emphasizes our dependence upon strategic materials that are obtained from abroad—I should like to call his attention to an article which appeared in the Marine Corps Gazette for December 1953. The article relates to the materials needed for the production of one M-47 tank. The figures are as follows:

It takes 1,915 pounds of chromium, of which 100 percent is imported.

It takes 950 pounds of manganese, of which, as the Senator from Tennessee has pointed out, 90 percent is imported.

It takes 520 pounds of nickel, of which approximately 99 percent is imported.

It takes 6,512 pounds of bauxite, the ore of aluminum, of which 65 percent is imported.

And it takes 1,418 pounds of copper, of which 35 percent is imported.

Those are the figures for the production of but one M-47 tank, just one of the vital instruments in our security program. The figures show how dependent we are, in connection with the production of only one tank, upon strategic raw materials which, of necessity, we must obtain from abroad.

I call this matter to the attention of the Senator from Tennessee, so that the fine argument he has made with respect to our dependence upon imported strategic materials may be fortified to that extent.

Mr. GORE. I thank the able Senator from Montana. From his statement it

is clear that if the United States were to be cut off from foreign sources of supply of strategic materials, our military-construction program would be seriously and dangerously impaired.

Mr. SPARKMAN. Mr. President, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. GORE. I yield.

Mr. SPARKMAN. The Senator from Montana mentioned bauxite. The Senator from Tennessee did not include it in the list he submitted. As a matter of fact, prior to the statement by the Senator from Montana, I had wondered why the Senator from Tennessee had not mentioned bauxite.

The Senator from Montana said we obtain 65 percent of our bauxite by means of importations. As a matter of fact, what to my mind is even more important is embodied in the last statement made by the able Senator from Montana. With respect to the importation of various metals and materials, in what position would we be in the event our lines of communication with other countries were cut in time of war? I am sure the able Senator from Tennessee, who, in part, represents a State that, prior to the beginning of World War II, manufactured and fabricated virtually all the aluminum made in the United States, recalls that during World War II, enemy submarines entered the Gulf of Mexico and operated directly off the mouth of Mobile Bay and off the mouth of the Mississippi River, with the result that our importations of bauxite from South American countries were completely shut off for a period of time, and then we were confronted with a situation in which we knew that our domestic supply of bauxite could not possibly enable us to continue over a very long period of time the production of the war planes we vitally needed. Of course, as time has gone on and planes have become larger, more weight has gone into them, and more aluminum has been required. We have continued to use a part of our supply. The situation certainly has not improved, but has become worse, if anything. The threat which the Senator mentions certainly would be just as real in the event of another war as we saw it become in the last war.

Mr. GORE. I thank the able Senator from Alabama. I had not listed bauxite. In a brief list one cannot set down all the imports which we must have. It indicates that we are dependent both upon imports and upon exports. Of course, we do not have to export in order to live, but we must export in order to have prosperity at home, and we must export in order to supply our friends in the community of free nations with the things necessary for their own economic well-being.

In addition to the strategic supplies which can be publicly listed, the distinguished Senator knows that we are in dire need of certain imports to which no reference may be made at this time.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. GORE. I yield.

Mr. SPARKMAN. The able Senator from Tennessee mentioned manganese. He knows that over the years we have obtained a good part of our manganese from Soviet Russia. From time to time we hear a great deal about trading with the Iron Curtain countries. I am not certain that we are now getting any manganese from Russia. Does the Senator know whether or not we are still importing manganese from Russia?

Mr. GORE. If we can buy it we will. I know of no recent shipments. We are now obtaining a great deal of manganese from India.

It is clear, then, that were the United States to be cut off from our strategic sources of supply, our military production would be seriously and dangerously impaired. Our ability to maintain a high level of defense production is directly related to our access to world sources of strategic supplies, as the facts cited by the able Senator from Alabama and the able Senator from Montana prove. Military considerations, therefore, must be given more and more weight in the determination of our foreign trade policies. And our foreign trade policies must be liberalized to preserve our military security.

More and more, our domestic industrial prosperity depends upon access to world resources.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MANSFIELD. Is it not sound security policy to conserve what resources we have and to bring in as much as we can from the outside, provided our own domestic economy is not interfered with? I raise that question with this thought in mind: At the present time we are dependent upon the Belgian Congo for the importation of uranium. We are going to Labrador and Venezuela for iron. We are going to India for manganese, and we are going to other parts of the world for various other necessary strategic materials. If we continue to deplete our own resources we shall become more and more a "have not" nation. If my information is correct, at the present time we are dependent on outside sources for our strategic materials to the extent of more than 50 percent. As time goes on and as our own resources become depleted, we shall become more and more dependent upon the outside world.

The distinguished Senator from Alabama [Mr. SPARKMAN] raises the question as to how far we can go along this line and live. Can we consider ourselves anywhere near self-sufficiency when we are dependent to so great an extent upon outside sources for things which are needed in our own security?

Mr. GORE. We are not self-sufficient. In this modern day there is no such thing as self-sufficiency for this great Nation.

The Senator has raised a very interesting and important point. Where should we fix the policy with respect to exhaustible resources? I do not claim to have the answer to that question. It seems to me that we could unwisely go

to extremes in either direction. What appears to the junior Senator from Tennessee as being a course of wisdom is stockpiling of exhaustible resources here in America from foreign sources in time of peace. I would not eliminate domestic production which is necessary for the employment and prosperity of our people; but I would encourage domestic production. Also I would encourage the importation of strategic supplies, and build up a safe stockpile.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. SPARKMAN. I noticed in the press this morning a headline—I did not read the article—to the effect that the President had authorized the setting aside of \$300 million additional, I believe, for stockpiling purposes. I ask the able Senator from Tennessee if he knows whether or not that is additional money, over and above what had previously been planned, and whether its purpose is to do the very thing the Senator has just mentioned.

Mr. GORE. I, too, noticed the Presidential request for supplemental funds for the stockpiling program. I believe it is in line with the statement I have just made. During the time I was a Member of the other body I served on a subcommittee which handled appropriations for the stockpiling program. I believe the statement which I have made is not very far away from the policy of the Government in that regard.

Experience has taught us that something more than our own economic and military strength is required if our national security is to be preserved. Our fate is inextricably related to the peace and well-being of the nations of the free world.

Furthermore, the economic and military strength of our friends abroad is even more dependent than is our own upon a high level of trade with us and with each other.

Fortunately, the nations of Western Europe have recognized the fact that an expansion of trade which is so essential to their survival will be fostered by the elimination of trade barriers. They have acted to set up the Organization for European Economic Cooperation of which the following nations are members: Iceland, Netherlands, Belgium, Ireland, United Kingdom, Luxembourg, France, Italy, Portugal, Norway, Sweden, Denmark, West Germany, Switzerland, Austria, Trieste, Turkey, Greece.

Together these 18 countries cover an area of 1,345,000 square miles which is less than half that of the United States.

The population of these countries is almost twice as large as that of the United States. This means that whereas there is an average of 53 persons per square mile in the United States, there are 207 persons per square mile in Western Europe.

Today both in agriculture and industry, European production is well above prewar levels. Agricultural production had dropped heavily after the end of the war. And in 1948 was still 7 percent below its prewar level.

Today, however, it is 20 percent above that figure.

Industrial production by 1948 had already been restored to the prewar level. From 1948 to 1953 industrial production increased to 41 percent above that level. Since 1948 European industrial production has increased its output at about the same rate as the United States.

The European nations have made great progress in cooperating with one another, and great progress in building up their production, but certain basic problems have not yet been resolved.

The remarkable increases in European productivity that have been in large measure the product of Marshall plan aid and other such programs, have changed the complexion of Europe's economic problems. With increased productivity and increased output of agricultural and industrial products, Europe must now look for markets for its products. These markets are either here in the United States, in the Soviet bloc, or between themselves and other nations. The Western European countries have made substantial progress through the Organization for European Economic Cooperation in the direction of liberalizing trade within the region. But this is clearly not enough. For Europe as a major industrial power must look outside its own region for the markets for its manufactured commodities and for the sources of its raw materials and food-stuffs.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield to the very distinguished and able senior Senator from Illinois.

Mr. DOUGLAS. Is it not true that prior to 1914 Eastern Europe—Poland and Russia—exported wheat to Western Europe, and Western Europe, in turn, sent manufactured goods to Eastern Europe?

Mr. GORE. That is a historical fact.

Mr. DOUGLAS. While World War I and the Communist rise to power and the decrease in the productivity of the wheat farms of Russia caused a falling off in that trade, it may reassert itself at any time.

Mr. GORE. It has already.

Mr. DOUGLAS. Russian wheat may become a competitor of American wheat, with the result that not only will the export of wheat from the United States be shut off, but, since political ties tend to follow in part economic movement, Western Europe will move from the United States politically and move toward a quasi-alliance with Eastern Europe, unless we expand our trade with Western Europe.

Mr. GORE. I believe the statement of the able Senator from Illinois is correct. Trade between Eastern Europe and Western Europe has followed a historical pattern. It did not end with World War I, although it was disrupted. It resumed after the conclusion of World War I. That east-west trade continued in large volume until the outbreak of World War II. A very determined effort is now being made to resume that trade despite the moral sanctions which the United States has requested against that

trade with Iron Curtain countries. I shall make detailed reference to that fact a little later in my address.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Tennessee yield further to the Senator from Illinois?

Mr. GORE. I yield.

Mr. DOUGLAS. A few days ago the Senator from Tennessee, in the very able address he then made, called attention, as he has done today, to the fact that European prosperity had increased as trade between the Western European countries had increased, with a lightening of trade barriers. Is it not true that the prosperity of the United States is largely based upon the fact that we do not have tariff barriers within this country? If we had tariff barriers between the different sections of the United States we could not have the geographical specialization of labor we now have. Is that not correct?

Mr. GORE. I believe that to be true. I believe it is also true that as each section of the United States has had economic development, all sections of the United States have been benefited thereby.

Mr. DOUGLAS. Is it not extraordinary that our friends on the other side of the aisle never seem to be able to learn that lesson, that the high prosperity of the United States is due to the fact that we have few trade barriers within the country?

Mr. GORE. The able Senator from Illinois is a bit discouraging. I have been thinking that the able junior Senator from Colorado [Mr. MILLIKIN] was undergoing a change of conviction and that I had about persuaded him. Perhaps the Senator from Illinois is correct.

Mr. DOUGLAS. Has the Senator from Tennessee detected any signs pointing in that direction which are not visible to my eyes?

Mr. GORE. Well, it seems that way to me.

Mr. DOUGLAS. The Senator from Colorado is most deceptive in manner.

Mr. MILLIKIN. The Senator should explain that statement.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. GORE. I yield to the able Senator from Arkansas.

Mr. FULBRIGHT. With regard to the statement made by the Senator from Illinois, and to make the point even clearer, it should be remembered that the barriers which did exist within the United States were created in the form of freight rate differentials, and when they were recently abolished there occurred a great upsurge in the prosperity of the South, against which that form of trade barrier had been directed.

Therefore it is clear that what the Senator from Illinois [Mr. DOUGLAS] stated in the beginning is generally true, namely, that the prosperity of our country is largely dependent upon the freedom of trade between the States, but I cite a specific instance, such as the situation in the South, where there was a great upsurge of prosperity when the trade barrier in the form of freight rate

differentials was removed. Therefore it is clearer than ever before that obstructions to trade hold back the development of the trade of the whole country.

Mr. GORE. Is not the example of the United States the world's outstanding example of economic interchange to the mutual advantage of all?

Mr. FULBRIGHT. Exactly. I wonder why it is so difficult to educate some of our people about the advantages, when they seem so clear, if we look at the subject objectively without any ulterior motives. All the textbooks confirm that view. I know of no real strong school of thought in the so-called intellectual field—if it is permissible to refer to that field in this body—that would indicate that restrictions on trade are for the benefit of the people generally. What does the Senator from Tennessee believe is the reason that it is so difficult to persuade our friends on the other side of the aisle on this question.

Mr. GORE. They want to study it some more.

Mr. FULBRIGHT. They want to study it some more? Does the Senator not believe that they have had sufficient opportunity to inform themselves on it?

Mr. GORE. I have expressed the opinion already that no other subject in American history has been studied so much as has this subject. I believe ample study has been given to it. Commission after commission, committee after committee, congressional committee after congressional committee, and most recently, the Randall Commission, have submitted their reports. Action has been requested, and now is the time to act. Instead, what do we have? We have procrastination and a request for continuing a do-nothing policy, which I believe is leading us to disastrous results.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Is it not difficult for information and education to pierce through after a century and a quarter of miseducation?

Mr. GORE. The able Senator from Illinois was a distinguished educator, while the junior Senator from Tennessee was a country school teacher. Therefore the Senator from Illinois would be far more able to express an opinion upon the difficulty of intellectual penetration than would the junior Senator from Tennessee. However, I recognize the problem, and I am working hard on it.

Despite the improvement in Europe's economic position, trade relations with the United States remain out of balance. The familiar catch word "dollar shortage" still aptly describes Europe's trading problems. Despite the fact that the dollar shortage has diminished, it should be recognized that in fact it has been concealed by a reduction in United States exports. That is important. We hear it said that the dollar gap is closing and that it is becoming smaller. Why? One reason is that we are losing export markets. Another reason is the extraordinary expenditures for military purposes which we are making in Europe, and yet another important reason is the restric-

tion on imports from the United States by Western European countries. This closing of the dollar gap for a few months can be very deceptive unless it is carefully examined. The dollar shortage is, after all, only a symptom of certain basic economic maladjustments in Europe's trade with us. It reflects the need for the increased stability of our demand for European products. Western European nations will take from us the things which we have in surplus and which we need to sell, and we will take from them the things which we need.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield at that point?

Mr. GORE. I yield.

Mr. DOUGLAS. The Senator from Tennessee in his very able address yesterday, as well as the Senator from Virginia [Mr. ROBERTSON] and the Senator from Arkansas [Mr. FULBRIGHT], emphasized the fact that 2 or 3 years ago we exported approximately half our wheat, three-eighths of our cotton, and one-fourth of our tobacco. As the Senator from Tennessee pointed out, last year those exports in some cases were cut in half, in other cases seriously decreased, and that this year the situation is even worse. What is that going to do to the problem of disposing of our cotton crop, our tobacco crop, and our wheat crop?

Mr. GORE. I have already indicated what it is doing to tobacco, wheat, and cotton. I should like to bring the question right home to the able senior Senator from Illinois. What is it going to do to our surplus of feed grains? At this time Western Europe is buying 21 percent of its livestock feed grains from Iron Curtain countries. Meanwhile, corn farmers in the State represented so ably by the distinguished Senator from Illinois are faced with restrictions upon their production and with enormous unmanageable surpluses.

Mr. DOUGLAS. Is it not also true that the United States has a positive advantage in the production of farm machinery, earth-moving machinery, computing machinery, and certain forms of electrical equipment, but at the present time the exports of these manufactured articles are in part shut off by the inability of Europe to ship goods to us?

Mr. GORE. That is very true. The able Senator from Illinois, before coming to the Senate, was a distinguished economist. I do not know how long that title will last on the floor of the Senate, but before his arrival here he was recognized as one of the outstanding economists of the United States. Will he not agree that with the loss of approximately \$5,500 in export trade, an American job is lost?

Mr. DOUGLAS. That is approximately correct.

Mr. GORE. Before we leave the wheat, tobacco, and corn problem, about which the Senator from Illinois has interrogated me, I wish to point out that wheat exports declined 158 million bushels from 1952 to 1953. This is more than enough to offset the production from the 7-million acre reduction which Secretary Benson announced this week.

The Senator asked me what effect it will have on the American wheat farmer. I say it has already had a disastrous effect. The bins are piled high. It is having a disastrous effect upon the American taxpayer who is having to foot the price-support bill in connection with surplus commodities. Will the Senator agree with that statement?

Mr. DOUGLAS. Yes.

Mr. GORE. The Senator asked about cotton. In 1952 the United States exported 36 percent of its cotton production. In 1953 it exported 20 percent of its cotton production. The outlook for this year is even worse, and it is predicted that within the next few days the Secretary of Agriculture will proclaim even more stringent restrictions upon the production of the American cotton farmer. Does the Senator think the farmer likes to maintain the status quo? We are asked to keep the status quo—to do nothing.

From 1951 to 1953 we exported from 20 to 60 percent of the annual production of the crops I listed above. However, from 1951 to 1953 the percentage of our national agriculture production that we exported dropped 50 percent. In 1951 it amounted to about 4 billion but last year it was only about 2 billion.

Specifically, in 1951 we exported 24 percent of the lard produced in this country, but last year exports fell to 17½ percent of domestic production. In 1952 we exported 39 percent of production of grain sorghum, but last year exports dropped to 12½ percent of production. In 1951 we exported 36 percent of our wheat and in 1952 those exports rose to 48 percent of production, but last year dropped to only 24½ percent of production. Meanwhile, Commodity Credit stores of wheat increased more than 300 percent—from 143 million bushels in June of 1952, to 478 million bushels on April 30 of this year. And remember, wheat is one product the Russians are trying to sell to our customers.

Cotton is another item especially vulnerable to falling exports. In 1951 we exported 42 percent of our crop. Last year only 20 percent moved through export channels. Meanwhile, the amount of cotton in Commodity Credit storage increased from 2,351 bales on June 30 of 1952, to 235,439 bales on April 30 of this year. To keep from piling up an even larger surplus, we had to put on production controls this year. Cotton acreage was cut about 16 percent, or approximately 4 million acres.

I imagine the effects of this cut were reflected in the mail of other Senators from cotton States. I know my mail with complaints about cuts in cotton allotments was heavy. Had we been able to increase our exports to keep pace with our increased production, these acreage cuts would not have been necessary. But now we are faced with still another threat. Soviet Russia is offering cotton to our export markets. Soviet Russia is moving to compete with our cotton farmers of the South and the West for their markets abroad.

Tobacco is another farm product on which our exports have fallen. In 1951

we exported 26 percent of our crop. Last year only 22 percent moved to the export market. Meanwhile, stores of tobacco on hand in Commodity Credit warehouses are increasing. On June 30, 1952, Commodity Credit held 3,756,000 pounds of tobacco. On April 30 of this year CCC had 4,183,000 pounds of tobacco. Meanwhile the Balkan countries stand ready to sell tobacco to Western Germany and other European countries.

Soybean exports also have fallen drastically—from 26½ percent in 1951 to 13.8 percent of production last year.

Mr. DOUGLAS. How does the Senator from Tennessee account for the fact that the vast proportion of our friends on the other side of the aisle do not see that in order to have exports we must accept imports?

Mr. GORE. I really am unable to understand why they do not see it. I think they must see it, it is so plain. It is as plain as the nose on one's face. How Senators from the great wheat-producing States can refuse to endorse a policy which would open up markets for surplus wheat I cannot understand. In the absence of action we are not even keeping the markets we have. Those markets are steadily being acquired by the countries behind the Iron Curtain.

Mr. KENNEDY. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield to my distinguished friend from Massachusetts.

Mr. KENNEDY. I should like to join the other Senators in complimenting the Senator from Tennessee, first, for bringing up this matter, and, second, for the able speech he is making. I should like, however, to ask him, a question. As the Senator knows, because of other conditions than the import and export balance, the dollar balances between this country and Europe in the past few years have been affected mostly because of the additional economic and military assistance which we have given to foreign nations.

Mr. GORE. Let me cite two additional reasons: One, the loss of American exports, and, two, the restrictions on imports from the United States within those countries.

Mr. KENNEDY. That is correct. But, nevertheless, there is a balance in payments in dollars in the past 2 years. That being true, it does not seem to me we can expect a very substantial increase in purchases by European countries, as compared with other years, when we consider what they are buying at the present when their dollar payments are in balance.

Mr. GORE. I think the Senator misses a very important factor. The nations of Western Europe are buying from other countries. They are rapidly increasing their purchases of many commodities from the Iron Curtain countries. I cited a number of items. The United States stands ready and able to produce and sell more than the rest of the world can buy from us.

Mr. KENNEDY. That is correct.

Mr. GORE. But the fact remains that the European countries have been cutting down on their imports from us. We have been losing those markets be-

cause they did not have the dollars with which to buy our products. As the President said in his message of March 30, it is not because they do not desire our products; it is not because they do not prefer our products; it is because we will not take enough of their products to enable them to buy our products.

Mr. KENNEDY. I think the Senator from Tennessee said yesterday that even if all duties were removed it would mean the elimination of only 200,000 jobs in the United States. Do I correctly quote the Senator?

Mr. GORE. I cited a study which the Randall Commission has made in which an estimate was given that if all import duties were temporarily suspended there would result 202,000 job dislocations.

Mr. KENNEDY. As the Senator knows, even under his amendment the duties will be diminished only by a certain percentage, and therefore the number of jobs lost would never approach that figure.

Mr. GORE. Nor do I so desire.

Mr. KENNEDY. I understand that. However, considering our recent experience, if the Senator's amendment should be agreed to, I do not understand that there would be sufficient increased purchases by foreign countries to offset the economic losses which would be suffered by those whose markets would be lost or diminished by increased imports.

Does the Senator wish to comment on that?

Mr. GORE. To the extent that it would permit two-way trade, the United States would benefit in jobs, in prosperity, and in export markets.

If the Senator takes the reverse proposition, and notes what is happening so long as we do not admit two-way trade, then we go to the other extreme. We continue to lose jobs, we continue to lose markets, we continue to lose exports.

There was a loss last year of \$1 billion in export trade. That loss resulted because there was not two-way trade. If healthy, mutually advantageous two-way trade is established between this Nation and any other nation in the world, then both nations benefit thereby. Likewise if a pattern of economic interchange is established between this Nation and several other nations, and by those several other nations among themselves, multiple economic interchange is promoted, which results in greatly magnified prosperity for the whole free world.

If the Senator will bear with me, I believe I shall be able to prove that point conclusively as I proceed.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. GORE. I am glad to yield to the Senator from Wisconsin.

Mr. WILEY. I have listened with profit to the discussion this afternoon. I am sorry I could not be here yesterday. It seems to me that, by and large, the Senator's statements are generalities. Let me see if we cannot make the proposition concrete.

The best market in the world is within our boundaries; and 97 percent of our

total production is still consumed within our own boundaries. If we have, for example, a production of \$400 billion, 3 percent in foreign trade would be about \$12 billion. I do not know whether those figures are correct.

Mr. GORE. May I first correct the figures of the distinguished, able Senator? I believe we export from 7 to 9 percent of our production, including both agricultural and industrial products.

Mr. DOUGLAS. Excluding services.

Mr. GORE. Yes.

Mr. WILEY. If there is a production in this country of \$400 billion, what is the percentage exported, as stated by the Senator?

Mr. GORE. On merchandise production, the record shows it is from 7 to 9 percent.

Mr. WILEY. What is the total production?

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield, to permit me to interject a statement?

Mr. GORE. I yield.

Mr. DOUGLAS. I think the Senator from Wisconsin is quoting figures with respect to national income; the Senator from Tennessee is quoting figures on the value of the production of materials. But national income includes, in addition to the production of materials, services which, in the nature of the case, would not be exported. So the figure stated by the Senator from Wisconsin may be correct as to income, but the figure given by the Senator from Tennessee is correct as to the percentage of manufactured, mining, and agricultural products.

Mr. GORE. I appreciate the contribution made by the distinguished Senator from Illinois. I believe the distinguished Senator from Wisconsin has well proved that the Senator from Illinois is still an able economist.

Mr. WILEY. I have never disputed his ability, character, integrity, good looks, or anything else about him.

But let me get to the point. Assume I am correct. I am merely quoting a figure which was used some weeks ago. Trade, as the Senator from Tennessee has stated, must be mutually beneficial. I have had a number of instances called to my attention recently, but before I bring them into consideration, let me say that as I sat here today I listened to the Senator from Tennessee discuss the subject of strategic materials. I can say frankly that former President Herbert Hoover, with whom I was in conversation recently, said he had recommended an accumulation of more strategic materials. But, as I understand, there are no import duties on practically all strategic materials. Is that correct?

Mr. GORE. That is correct.

Mr. WILEY. No one objects to that. We need those commodities. But in order that trade may be mutually beneficial, we must import only those commodities which do not result in cut-throating our own producers; otherwise, if we cutthroat our own producers, we put them out of business and cause sick economic conditions.

There are already several such instances in my own State, to say nothing

about the mining industry throughout the Nation. In my own State mines are being closed. We have sought to obtain some kind of relief, on the theory that it is important to keep the mines operating, because if we should get into, shall we say, difficulty, it would not be possible to reopen a mine overnight.

But that is not all. I know of several manufacturing industries which are in economic difficulty. I shall not name them at this time because I am writing for the facts. Competitive commodities are being imported from thousands of miles across the ocean, simply because the manufacturers in the foreign country can sell their products in the United States much more cheaply than they could be produced in this country. The result is that those who are producing the commodities in this country are thrown out of work; their productive ability stands idle.

In order to bring about a mutually advantageous trade situation, we should buy from foreign countries only the things we need, and they should buy from us the things they need. That creates a mutually beneficial condition. But if we buy from the foreign country materials which we ourselves can produce, it throws our own people out of employment, it shuts down our own industries. We shall not be creating a healthy economic condition or a good moral condition.

Consequently, when we speak of general mutual conditions of reciprocity, they must be reciprocal, they must be mutual, they must be beneficial. Otherwise we shall be destroying our whole home market. The goods we get from overseas should be only those we need. Or let me put it this way, as was said to me recently by a gentleman whose two factories have been shut down. He said, "I would not want an absolute prohibition; I would want a quota, so that my employees would not be thrown out of work."

Such a condition must be watched. We should not simply say that we will discard all tariff regulations. If we do, we shall return to the same situation we have had in the past. I remember, as a boy, living in the days of Grover Cleveland.

The Senator has been analyzing the markets; for instance, the agricultural markets. Do not forget that by means of Marshall-plan aid and mutual aid, the United States has built up the economy of many foreign countries so that now they are in a position to produce the articles which we sold them previously, when we gave them credit.

I cite a specific instance. If we can sell our cotton abroad, that is well and good. Then what shall we buy which will not put some of our citizens out of employment?

If the Senator from Tennessee would discuss those illustrations, I think some real light would be shed on the picture.

Mr. GORE. I am deeply grateful for the contributions made to the discussion by the distinguished senior Senator from Wisconsin, who is chairman of the Committee on Foreign Relations. I do not find myself in very great, if any

disagreement with the statement he has just made.

I recall that when the reciprocal trade agreements program was first presented, the authority was requested to enter into reciprocal trade agreement programs by reducing tariffs to the extent of 50 percent. Many dire predictions were made that industry would be destroyed; that certain groups of people would be driven to the poorhouse; that America would be ruined; that our doors would be opened, and that America would be flooded with cheap goods made abroad.

Some of the same persons who are fighting the proposed extension, some of the same Members who voted in the other House against merely a 1-year extension, made some of these predictions.

What have we before us? We have the record of 20 years. During the operations of the mutually advantageous reciprocal trade agreements America has prospered and the friends with whom we have traded have prospered.

Mr. WILEY. Madam President, will the Senator yield?

The PRESIDING OFFICER (Mrs. BOWRING in the chair). Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. GORE. Let me finish and then I shall yield.

The program has been such a success that last year Congress gave it a year's extension, daring not to let the program lapse. Again the act is about to be extended for either 3 years or 1 year; I hope it will be 3 years. What do I propose? What has the President requested? Not authority for another 50-percent reduction in certain import duties, but merely authority for a 15-percent reduction to be spread over a 3-year period, and then only after items have been studied by the Tariff Commission. The peril-point provision of the law and the escape clause will be applicable to all.

The Senator from Wisconsin has cited a situation which he thinks would be advantageous. I cannot exactly quote his words, but he said, "If it should be mutually advantageous, and if we could sell to them something which we had"—I believe he said cotton—"and take from them something which they had, and which we needed and could use, that would be fine."

To the able and distinguished Senator I desire to say that is exactly the authority which the President of the United States requested. That is what I propose. That is the heart of the program.

Mr. WILEY. Madam President, will the Senator yield?

Mr. GORE. I shall yield in a moment. This is not a program which would make mandatory reductions in import duties; indeed, no; it is a program which would give to the President of the United States the authority to enter into reciprocal trade agreements which, in the opinion of the President, would be advantageous to this country and to the trade of the free world.

The Senator from Wisconsin has set forth a fine set of circumstances. I say

the bill meets the circumstances which he suggests, and I welcome his remarks. I now yield to the Senator from Wisconsin.

Mr. WILEY. I like the vim and vigor with which the Senator from Tennessee enters into a debate such as this, because when I was as young and as handsome as he is, I did the same.

Mr. GORE. I appreciate the remarks of the distinguished Senator. I am sorry my wife is not in the gallery.

Mr. WILEY. I voted for the Reciprocal Trade Agreements Act. I believe its theory is very good. However, it must be borne in mind that sometimes we deal with persons in other countries who do not reciprocate or play cricket according to the rules. The Senator knows that sometimes happens, and that those persons may have the advantage of subsidies and quotas. We therefore have to be very careful.

I remember speaking on the floor of the Senate in a debate years and years ago, before the Senator from Tennessee was a Member of the Senate. Something was said in the debate about the shrewdness of the Scotchman. In dealing with our international friends, we need true Scotchmen on our side.

Let me illustrate the point I am trying to make. Before I came to the Senate, I was a lawyer in a small country town, but I represented some good clients. I remember at one time representing a manufacturer of shoes whose company was in pretty bad shape financially. As a result of the precarious situation of the firm, it was my privilege to act as adviser. We entered into direct selling, and that industry was built up to such a point that it now does about 9 or 10 million dollars' worth of business a year.

Before I came to the Senate, Czechoslovakia was a great manufacturer and exporter of shoes. American wages were comparatively high during that period of time, which was in 1936 and 1937, which were economically difficult years. Czechoslovakia was flooding the American market with its shoes. We could have bought shoes which were manufactured in Czechoslovakia, and delivered in my hometown, at a price cheaper than the company of which I speak could manufacture shoes. I am frank to say that if it had not been for the real loyalty of the business heads of that concern, they would have closed down, and bought Czechoslovakian shoes and resold them. I use that illustration to point up the problem which faces us when we talk in terms of reciprocity and mutuality.

When I was attending the University of Michigan, a professor once said to me, "Young man, before you prepare on the law, look up the facts. Otherwise, if you look up the law first and try to apply the facts to the law, you may go to jail for subornation of perjury."

The Senator from Tennessee has spoken about the period of the past 20 years. The Senator, I am sure, remembers the conditions which existed in about 1939, which is the year I became a Member of the Senate. World War II soon followed. Then came the post-

war condition. We are not facing conditions which existed at that time; we are facing changed conditions. During the 20 years of which the Senator speaks, the world picture has changed. Time and time again conditions throughout the world and the economic picture have changed in those 20 years. If Europe today, with its population of 300 million whites, would promote the selling of articles between the different countries in Europe, and barriers which exist there were pulled down, and there were put into effect increased wages so that markets would be created for Europe's products, that would solve to a considerable degree the economic problems which exist. Instead, the European countries want to flood this country with products which are manufactured there, which would result in American labor being put out of work and American factories shutting down.

I am sure the Senator from Tennessee would like to have American cotton disposed of. I would like to see cheese, butter, and other dairy products disposed of. We have plenty of those products in this country; we do not need any imports to add to our surpluses of those commodities. If an arrangement can be entered into which will inure to the mutual benefit, economically and socially, of the people of this country and the people of Europe, then the arrangement should be put into effect. On the other hand, if citizens of some other countries are not going to abide by the rules of the game and play cricket, but seek to use the arrangement for their own benefit only, then the arrangement will not be so good as far as we are concerned.

If the Senator from Tennessee would like to estimate how much his proposal would increase imports and exports, we shall see how much of a prophet he is.

Mr. GORE. I thank the able Senator for his remarks. He has aroused both my sympathy and my curiosity about the fine factory with which he was formerly associated. Did I understand the Senator to say that the factory had gone bankrupt?

Mr. WILEY. No, because fortunately, or, I should say, unfortunately, along came the war, and imports from abroad were greatly reduced. Does the Senator from Tennessee see what I am getting at?

Mr. GORE. Oh, I see.

Mr. WILEY. Those are the changed world conditions about which I have been speaking.

Mr. GORE. I wonder if the Senator from Wisconsin sees what I am getting at. How prosperous is that factory now?

Mr. WILEY. I will say, due to—

Mr. GORE. Not what it is due to, but how prosperous is it?

Mr. WILEY. It is pretty prosperous.

Mr. GORE. Good; and we have had the reciprocal trade program for 20 years.

Mr. WILEY. I know, but some people had measles at one time. That has nothing to do with the factory.

Mr. GORE. Measles has nothing to do with the program. I am talking about products of the factory located in his

home State, to which the Senator made reference. The record shows that, after the reciprocal trade program has been in operation 20 years, last year there was an importation of only 1 percent of the boots and shoes purchased in the United States of America. If the factory of the gentleman to which the Senator referred cannot be prosperous, as the Senator attested it is, when it has 99 percent of the great American market, then I think some proof must be had that it is an efficient industry. But the fact remains, as the Senator has stated, that the factory has stood the test and it is prosperous now. I congratulate the Senator and the industry of which he speaks.

Mr. WILEY. Madam President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. WILEY. The fact of the matter is that Wisconsin is prosperous because it has had the American market, not because it has been selling abroad. That is the point, and the Senator from Tennessee has missed it.

Mr. GORE. Madam President, I wish to call the attention of the able Senator from Wisconsin to another figure. In addition to taking 99 percent of the American market, the United States had exports of more than 5 million pairs of shoes, last year.

Mr. WILEY. However, that did not help the State of Wisconsin.

Mr. GORE. Nevertheless, that export trade meant jobs for workers in the State of Wisconsin.

Mr. WILEY. No, it did not.

Mr. GORE. And those who have jobs and earn wages, purchase from the farmers, buy refrigerators, and give jobs to other persons.

Mr. WILEY. Madam President, will the Senator from Tennessee yield further to me?

Mr. GORE. I yield.

Mr. WILEY. I recommend that the Senator from Tennessee follow the advice of the law professor at the University of Michigan, who said, "First, get the facts."

I point out to the Senator from Tennessee that in this situation the facts have changed. The big fact bearing on this situation is that Stalin and his gang took over the Czechoslovakia shoe factories. That has been the big factor in connection with the manufacture and sale of shoes.

Mr. GORE. I concede that changes have occurred. I have been referring to the situation both in the United States and abroad. It is true that the Soviets took over the shoe factories in Czechoslovakia. However, unless we adjust our trade policy, in this time of crisis, so that the countries of Europe can expand their trade with the United States and with the other nations of the free world, and so that the United States can expand her trade with them, the inevitable result will be a deflection of trade into the Soviet bloc—a matter to which the Senator from Wisconsin has referred.

Madam President, I shall continue to talk until we decide to save the jobs of the wheat farmers in Wisconsin.

Mr. WILEY. There are very few wheat farmers in Wisconsin; the Senator from Tennessee is mistaken.

Mr. GORE. And until we are able to save the jobs of the shoe workers in Wisconsin, and also the Wisconsin dairy farmers.

Furthermore, I wish to help the Senator from Wisconsin save the President's program.

Mr. DOUGLAS. Madam President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. DOUGLAS. Is it not an extraordinary spectacle on the floor of the Senate to have the Democratic Senators fighting for the President's program, over the opposition of virtually all the Republican Senators?

Mr. GORE. Madam President, I say that is bipartisanship in its finest terms. [Laughter.]

Mr. MILLIKIN. Madam President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. MILLIKIN. I would say the Senator from Tennessee was incorrect when he used the words "in its finest terms."

We are fighting for the President's program, as set forth in writing.

Mr. DOUGLAS. At what time?

Mr. MILLIKIN. The last time the President spoke.

Mr. DOUGLAS. But what about the time before?

Mr. MILLIKIN. I am not talking about the time before. I am speaking of the time when the President said he wanted a one-year extension.

Mr. DOUGLAS. After the Republican Senators frightened and intimidated the President in connection with the program, the President said he would rather accept defeat, instead of accept aid from the Democrats.

Mr. MILLIKIN. Madam President, those are fine words, but I wish to state that I have had no conversations at all on this subject with the President.

Mr. WILEY. Madam President, this impresses me as very much like an election brawl. [Laughter.]

Mr. MILLIKIN. Let me say for the benefit of the Senator from Illinois that, so far, the Senator from Tennessee has confined himself fairly well to the facts. So long as that is done, there is less debate and less time lost.

Mr. GORE. Madam President, the colloquy calls for some comment.

The distinguished senior Senator from Wisconsin [Mr. WILEY] said the proceedings sounded like an election brawl. I assure him that I do not think a factual, bipartisan discussion of the foreign-trade policy of the United States bears any resemblance to an election brawl. The importance of the subject is too great; it cannot be, and must not be, considered in connection with the election this year or the preceding election.

The able junior Senator from Colorado has used a term to which I must make reference. He said he is supporting the President's recommendation and the expressed wish of the President, as stated by the President the last time he spoke.

Mr. MILLIKIN. That is correct.

Mr. GORE. I wish the Senator from Colorado to recall that the President spoke last night.

Mr. MILLIKIN. I have not yet read what he said then. I have sent for it, and it is on the way here.

Mr. GORE. I shall be happy to read it to the Senator from Colorado.

Mr. MILLIKIN. Let me suggest that the Senator from Tennessee defer reading the clippings, because I have sent to the White House to obtain the full statement. After I obtain it, we shall know what we are talking about.

Mr. GORE. I dislike to withhold this matter from the Senator from Colorado.

Mr. MILLIKIN. Then let the Senator from Tennessee read it. I do not desire to exercise any restraint upon him.

Mr. GORE. Do I correctly understand that the Senator from Colorado is willing to receive the information?

Mr. MILLIKIN. I am.

Mr. GORE. I thank the distinguished Senator.

I shall read what the President of the United States said when he spoke last evening—which was the last time he spoke. I shall read what he stated, as set forth in the press. Of course, I would not testify that the press has misquoted the President—

Mr. MILLIKIN. I would not allege that, and I have not alleged it.

Mr. GORE. I know the Senator from Colorado has not. I mean to say that I am not undertaking to state that the quotation I shall read is a verbatim quotation. On the other hand, I have not heard its accuracy disputed.

Mr. MILLIKIN. I have not heard it at all, so the Senator from Tennessee has a distinct advantage over me. Let him proceed to read it.

Mr. GORE. I shall read it, and then shall hand it to the Senator from Colorado. I would not take advantage of him. Of course, in colloquy with him I suffer a great disadvantage.

Mr. MILLIKIN. The only thing that aroused me for a moment from my torpor was when the Senator from Illinois [Mr. DOUGLAS] began to introduce into the debate some inaccuracies.

Mr. GORE. I did not recognize any inaccuracies in the statements made by the able Senator from Illinois. However, I am grateful for any legitimate information that will arouse the able Senator from Colorado.

Mr. MILLIKIN. I thank the Senator from Tennessee.

Mr. GORE. The headline of the article which appeared in this morning's paper is: "Ike Calls Aid-Trade Vital To Balk Reds."

I have been trying to say that in a number of ways this afternoon. I am grateful that the President said it. His speech strongly supports the amendment I have submitted.

I now read the article:

If we will not give her—

Meaning Japan—

money, if we will not trade with her, if we do not defend southeast Asia, where Japan has some markets—

The President said—
what is to happen to her?

The President's answer was as follows:
It is going to the Reds.

Mr. MILLIKIN. What has that to do with the amendment of the Senator from Tennessee?

Mr. GORE. It has a great deal to do with it.

Mr. MILLIKIN. That is what I should like to know.

Mr. GORE. I shall come at once to that point.

Mr. MILLIKIN. Very well; I wish the Senator from Tennessee would do so—or I shall wait.

Mr. GORE. I would not have the Senator from Colorado wait. I would not withhold any information from him.

Mr. MILLIKIN. Let me suggest that I, too, believe we shall have a terrific problem in handling our trade relations with Japan. The British will not take Japanese goods in southeast Asia. We do not want Japan to trade with the Communists in China. So I think we shall have to take some Japanese goods. The question is how we shall do it, to what extent we shall do it, and so forth.

So I am glad to hear the Senator from Tennessee state the way in which his amendment relates to that situation.

As a matter of fact, that can be done now, without the amendment of the Senator from Tennessee.

Mr. GORE. I propose to demonstrate that the goals the President spoke for last night cannot be attained by means of the simple 1-year extension the able Senator from Colorado supports. On the other hand, I propose to demonstrate that the goals the President spoke for last night can be attained by means of the amendment I propose.

Mr. MILLIKIN. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. MILLIKIN. I am suggesting that under the law as it is right now the President—assuming that he would not require 2 or 3 or 4 years to do it—could conclude a trade agreement with Japan. Japan is not a member of GATT. We have no trade agreement with Japan. In terms of power, I assume that the President could conclude such an agreement.

Mr. GORE. The Senator is slightly incorrect, when he says "right now," because there is no Reciprocal Trade Agreements Act now. That act expired on June 12. The problem is the extension of that law, but that is immaterial.

Mr. MILLIKIN. I suggest to the distinguished Senator that not a single trade agreement expired on June 12, and none will expire until it expires under the terms of the trade agreement itself.

Mr. GORE. I agree; but that has nothing to do with the making of further agreements.

Mr. MILLIKIN. If there were a 1-year extension, the President would be at liberty right now to conclude a trade agreement with Japan. I am not saying what should be done. I want to see how such an agreement can be concluded with Japan. I freely admit that we have a real problem in arriving at some form of agreement. Otherwise, Japan is

likely to go Communist. The British are doing a great deal of talking, but they want to keep Japanese products out of southeast Asia, particularly textiles. We do not want Japan to get into China. We do not want Japan to be dumping her goods in America, so somewhere we must find a field in which we can arrive at some agreement which will enable Japan to be reasonably prosperous.

Mr. GORE. I accept the qualification the Senator has made, that if a 1-year extension were granted, the President would have authority to enter into a trade agreement with Japan; but that is only the beginning of the story. He would have such authority for less than 1 year.

Mr. MILLIKIN. Madam President, will the Senator further yield?

Mr. GORE. I yield.

Mr. MILLIKIN. If there were a 1-year extension, any trade agreement which might be made would continue, according to its terms, until one party or the other repudiated or renounced it, on 6 months notice. Such an agreement would be like every other trade agreement now in effect. The lapse of the law did not end a single trade agreement. They are all in effect, and they will continue in effect until one party or the other repudiates or renounces them.

Mr. GORE. I agree; but will not the Senator agree that under the pending bill the authority given the President to make reciprocal trade agreements will expire on June 12, 1955?

Mr. MILLIKIN. Yes; and I said so in explicit terms.

Mr. GORE. Then under the pending bill the President would not be given 1 full year in which to negotiate and execute agreements.

Mr. MILLIKIN. Madam President, will the Senator further yield?

Mr. GORE. Will the Senator answer that question?

Mr. MILLIKIN. I will answer it.

Mr. GORE. Is not that correct?

Mr. MILLIKIN. Yes. Madam President, I am not in a police court now. Let the Senator hold his horses. I will answer his question.

Mr. GORE. Very well.

Mr. MILLIKIN. I know of my own knowledge that the State Department has been working for a long time on some sort of arrangement with Japan. If we say, "Boys, we will give you a year longer to come up with something," that is not at all unreasonable. It is not as though a virginal approach to the problem were being made tomorrow. The State Department has already been working on it for a long time.

Mr. DOUGLAS. Madam President, will the Senator from Tennessee yield?

Mr. GORE. I desire first to reply to the distinguished Senator from Colorado, and then I shall be glad to yield.

Madam President, if the demeanor of the junior Senator from Tennessee has been such as to suggest in any manner that he considered the junior Senator from Colorado to be in a police court, I apologize. I am sure he has never been in a police court.

Mr. MILLIKIN. I think I was upon one occasion, for a traffic offense. Perhaps I should have been there on other occasions, but I was not.

Mr. GORE. Then we agree that, as of today, the President has no authority to enter into a trade agreement?

Mr. MILLIKIN. We agree.

Mr. GORE. And under the provisions of the pending bill if it should become law such authority would end on June 12, 1955.

Mr. MILLIKIN. We agree. The authority would end 1 year from now.

The Senator from Colorado is also suggesting that, inasmuch as the State Department has already been working on the problem for some considerable time, there would be ample time to make an agreement with Japan.

Mr. GORE. I appreciate the contribution of the able Senator. However, I submit that in addition to the very difficult—if not impossible—task of negotiating a complicated reciprocal trade agreement with Japan in 11 months, there is the further very important question, which is not spelled out in the pending bill, with respect to the opportunity to facilitate multilateral agreements with other countries.

I wish to point out a third reason why the pending bill would not accomplish the goal stated by the President last evening. It would not operate to facilitate a three-way exchange of goods, but instead, if it were to involve a bilateral agreement, that would mean that we would take the goods of the Japanese, and they would take ours. The natural outlet for the manufactured goods of Japan is in southeast Asia. Japan buys products from us, then manufactures and sells them to the people of southeast Asia. In turn they send to us rubber and tin, strategic supplies which we need. Therefore, I submit to the able Senator from Colorado that the pending bill falls far short of the goal set by the President last evening, which was the last time he spoke.

Mr. MILLIKIN. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. MILLIKIN. I suggest that the problem which the Senator has mentioned should be decided in the White House, inasmuch as Mr. Churchill is coming to Washington. If a multilateral agreement on that subject were possible, it might be a very good agreement. It would require the cooperation of the present Prime Minister of Great Britain, who will be in the White House this week. That might be a very good subject for discussion.

Mr. GORE. I agree.

Mr. MILLIKIN. I am not in a position to say that it will be considered, but there will be plenty of time to do it.

Mr. GORE. I am proposing to give the President the tools he needs to enter into such mutual, multilateral, profitable agreements.

Mr. MILLIKIN. The President will not suffer because of lack of any necessary authority to negotiate such agreements within a year. The Congress has never hesitated to grant extensions of the Reciprocal Trade Agreements Act. I

venture to suggest that it will continue to do so.

Mr. DOUGLAS. Madam President, will the Senator yield?

Mr. GORE. Let me make one reply, and then I shall be glad to yield.

The able Senator from Colorado has just used another word with respect to which I must raise a question. He has just stated that the Congress has never hesitated to grant extensions of the Reciprocal Trade Agreements Act.

Mr. MILLIKIN. I thought I said the Congress has never failed to do so. At least, that was my intention.

Mr. GORE. Whatever the situation may be, at least we are now considering the question of either a 3-year extension with the liberalizations recommended by the President, or a 1-year extension, which was forced upon him by the high protectionists who are in control of the Congress.

Mr. MILLIKIN. The vote in the House shows that that statement is not correct, as does the vote in the House Ways and Means Committee, which is composed of low protectionists, medium protectionists, and perhaps some high protectionists.

Mr. GORE. Is the Senator from Colorado able to inform the Senate just why the President changed his mind? I do not believe he changed his mind, because in the press conference the other day he said that he still wanted what he recommended on March 30. Why did he write that letter?

Mr. MILLIKIN. I do not know, except that he thought it was the proper thing to do.

Mr. GORE. In what context—for the benefit of the country?

Mr. MILLIKIN. Of course, for the benefit of the country. I read the entire letter the other day. I will not stand here and say that our President is acting against what he thinks is for the benefit of the country.

Mr. GORE. Neither will I.

Mr. MILLIKIN. I did not think the Senator would.

Mr. GORE. When the President wrote his statement in 1951, in my judgment he was recommending and endorsing what he believed was for the benefit of the country. I believe he was actuated by the same motives when he sent his message to Congress on March 30. I believe he was actuated by the same motives last evening. I have a suspicion that the letter which he wrote on May 20 was actuated by a little domestic political pressure.

Mr. DOUGLAS. Madam President, will the Senator yield?

Mr. GORE. I yield to the Senator from Illinois.

Mr. DOUGLAS. Is it not a fact that the Reciprocal Trade Agreements Act was renewed last year only for an additional year, after the Secretary of State, Mr. Dulles, had given solemn assurance to the committee that if it were extended, he would not ask for any further extension of the Reciprocal Trade Agreements Act?

Mr. GORE. It happens that I was present in the committee room of the House Committee on Ways and Means

when the distinguished Secretary of State gave that commitment. It was only after that statement was made that Congress consented even to a 1-year extension. I want to ask the Senator if that was not a do-nothing trade policy.

Mr. DOUGLAS. Certainly it was a do-nothing trade policy. It meant that while existing agreements might continue in effect, the Secretary of State, in order to get the extension through, had to conciliate the high protectionist elements in his party by promising he would not negotiate any new agreements.

Mr. MILLIKIN. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. MILLIKIN. I was not at the keyhole of the House Ways and Means Committee.

Mr. GORE. I was not at any keyhole, either. It was a public session.

Mr. MILLIKIN. Someone was.

Mr. GORE. It was not the junior Senator from Tennessee.

Mr. MILLIKIN. I admit it was neither the Senator from Tennessee nor the Senator from Illinois. I can assure the Senator that nothing like that was said in the Senate committee. The extension passed the Senate last year by a large voice vote and in 1951 it was 72 to 2, I believe. Therefore any suggestion that the program has not worked out to a point where it is a pretty good bipartisan approach is, as I said before, incorrect, as that vote will show.

Mr. GORE. The 1-year extension was voted by all those who really believed in a progressive and liberalized national trade policy. The administration was new at the time, and with some justification, I believe, asked for the preservation of the program for 1 year, in order to study it. That study has been made. The distinguished and able Senator from Colorado, has studied and studied and studied it. Now is the time for action. For 18 months we have done nothing with respect to our foreign trade policy, and our markets are rapidly slipping away from us to the Communist world, and the Communists are taking the customers of American farmers and American factories. Yet the distinguished Senator from Colorado still wants to study some more.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. DOUGLAS. Would it not be interesting to know whether any secret pledges were made this year—not formalized pledges as the pledges were last year—that if an extension is voted for 1 more year, no new agreements will be made?

Mr. MILLIKIN. Was the Senator from Illinois a party to any such agreement?

Mr. DOUGLAS. Certainly not.

Mr. MILLIKIN. Then why does he impute to others something he does not know anything about.

Mr. DOUGLAS. The pledge was given openly last year.

Mr. MILLIKIN. Is it not possible also that those who made such an agreement

with the President this year, an agreement the Senator from Illinois does not know anything about, but which he is imputing to others, that they also entered into agreements to break into safes, to kidnap children, and to commit all kinds of crimes?

Mr. GORE. Madam President—

Mr. MILLIKIN. That is just as foolish as the Senator's statement.

Mr. GORE. I am not talking about kidnapping children or peeping through keyholes. I was present at a public session of the Committee on Ways and Means of the House of Representatives when the Secretary of State, under pressure of that committee, gave the pledge that he would not enter into any more agreements during the 1 year, and no agreement has been entered into during that year. I say that is the do-nothing policy which we are asked to continue.

Mr. MILLIKIN. Madam President, I want to say just one more thing. I do not think it is fair procedure for the Senator from the great State of Illinois to say that someone has been whispering in a secret conference and agreeing to do something. I say to the Senator, "Present your proof."

Mr. DOUGLAS. The pledge was given publicly last year. Apparently that was what induced the high protectionist element in the Republican Party to consent to the extension of the act for 1 year.

Has there been a great increase in the intelligence of the high protectionist element in the Republican Party in the succeeding year? If they exacted a pledge last year, is there not some ground for the presumption that the same pledge has been exacted this year, only this time in the dark secrecy of night?

Mr. MILLIKIN. I suggest the Senator has no way of knowing that, and he has no right to make such a presumption, namely, that some persons were in hiding, at midnight, up an alley and behind an ash can, whispering to each other. I say it is nonsense.

Mr. GORE. Madam President, I wish to retrieve my speech from the ash can. The incident to which the senior Senator from Illinois has referred—

Mr. MILLIKIN. Madam President, I should like to say that the Senator from Tennessee is making a very excellent speech.

Mr. GORE. I thank the distinguished Senator from Colorado. The understandings by which the program was extended last year were not surreptitiously reached. I heard them expressed in an open session. I did not understand the senior Senator from Illinois to impugn anyone's patriotism or to allege an activity that was secret. I understood him to refer to the public commitment made by the Secretary of State in open session.

I agreed some time ago to yield to my able friend from Montana.

Mr. MANSFIELD. Did I correctly understand the Senator from Colorado to say something to the effect that Japan was not trading with Communist China?

Mr. MILLIKIN. I did not say that. Mr. MANSFIELD. What did the Senator say?

Mr. MILLIKIN. I said we wanted to keep Japan from trading with Communist China. Japan at the present time is being foreclosed in southeast Asia because Britain is doing all it can to keep Japan from trading there, particularly in textiles. With the British suppressing Japanese trade in southeast Asia, and with our desire that Japan not trade with Communist China, it is evident that someone must buy something from Japan.

That poses a problem for us. What the solution shall be will not be determined by any Senator's speech. I want to see an agreement. I want to study it.

Mr. MANSFIELD. I am sure the Senator from Colorado is aware of the fact that today Japan is trading with Communist China, and that during the Korean war she traded with Communist China, with the approval of General MacArthur. I can cite chapter and verse to prove that statement, because I asked that question in the Committee on Foreign Relations, and the answer was in the affirmative.

Mr. MILLIKIN. I am talking about what I think is the fact; namely, that this administration does not want Japan to trade with Communist China. I am not now talking about what happened in the past.

Mr. MANSFIELD. I am saying that now and during the Korean war—

Mr. MILLIKIN. What does the Senator wish to ask me?

Mr. MANSFIELD. I wanted to get a statement on that point from the Senator from Colorado.

Mr. MILLIKIN. Have I answered the Senator's question?

Mr. MANSFIELD. No; but I think I have clarified the situation.

Mr. MILLIKIN. I wish the Senator would give me the remaining part of his question.

Mr. MANSFIELD. The question is this: Is Japan trading with Communist China today?

Mr. MILLIKIN. I do not know.

Mr. MANSFIELD. The information in the Committee on Foreign Relations is to the effect that Japan is trading with Communist China today and that she did trade with Communist China during the Korean war, with the approval of General MacArthur. I can find the proof of that statement, because it was given before the Committee on Foreign Relations a few days ago.

Mr. MILLIKIN. I am basing my suggestion on what I think is the policy of the administration, that Japan should not become the captive of Communist China, and that Japanese trade with southeast Asia should not be destroyed. I believe those are worthy objectives of the administration. If I am wrong, I should like to know about it.

Mr. MANSFIELD. There is nothing wrong with that, and I agree. However, I should like to say that President Eisenhower last night did not go quite far enough when he was discussing Japan and its importance to the free world.

He did not bring out the fact that during the Korean war this Government subsidized Japan to the extent of \$2½ billion, to make war materials for the Korean war, and that Japan today is faced with either further subsidization by us—and it would be in the billions of dollars—or she must find markets somewhere. If neither is to be done, the ultimate answer is that Japan will become Communist. It is an empire which is smaller in area than the State of Montana, and has 87 million people, whereas the United States has 160 million people and far more in the way of natural resources.

What is the answer going to be?

Mr. MILLIKIN. That is what I am waiting for. I am waiting to see what the administration suggests. I stated a while ago that the State Department has been working on the details of some kind of an agreement with Japan.

Mr. GORE. Madam President, I have not discussed in detail the Japanese problem, nor had I reached that portion of my speech dealing with the Far East at the time the Senator referred to the last statement of President Eisenhower. I should like to discuss the details, as I see them, of the very difficult problem of the Japanese economic situation and the need for a 3-year extension of the reciprocal trade program with the liberalizations requested by the President.

Mr. MILLIKIN. Madam President, will the Senator yield?

Mr. GORE. I yield.

Mr. MILLIKIN. I think the Senator will admit that I have been sitting here passively and quietly and was not aroused into action until the Senator from Illinois intruded some statements which I did not think were exactly correct.

Mr. GORE. I know the Senator from Colorado has studied this problem a great deal. My only real difference with him is on two counts, one of which is that he wishes to study the subject longer, and the other one is that he wants to do too little.

Mr. MILLIKIN. I must refer that to the distinguished Senator from Illinois, because he is a deep student and a renowned teacher, and I want to hear him say that a man should not study but should reach his conclusions by some heavenly method of intuition, or something of that kind.

Mr. GORE. I am sure the able Senator from Colorado has all the knowledge and intuition which a fine and worthy man is entitled to have, and having served in the Senate as long as he has, having studied the problems of trade and tariffs as meticulously and thoroughly as he has, and having served on the Randall Commission, he comes here a little short in logic when he says he needs more time. I do not believe the Senator is that slow. I know he is a brilliant man.

Mr. MILLIKIN. If those somewhat complimentary remarks are true, perhaps they lend credence to my view that I need more time in which to study the subject.

Mr. GORE. I thank the able Senator for his contributions.

Madam President, I should now like to discuss the economic problems which beset Japan.

I have confined my discussion of free world trade problems until now to the problems that beset Western Europe and in particular to the choice that faces Western Europe with respect to the markets for its products. No less serious a problem, however, exists in the Far East. Red China, too, has been busy offering tempting trade concessions and applying pressure for stepped-up commerce. Already, Red China has concluded trade agreements with Ceylon, Chile, Finland, France, the United Kingdom, India, Indonesia, Italy, Japan, the Netherlands, Pakistan, Switzerland, and Western Germany. The Chinese Communists, like Russia, are moving relentlessly to broaden the scope and step up the intensity of trade with these nations. Japan is under especially heavy pressure, not only from her own precarious economic position, but also from a concerted Red trade drive, where Japan, the dominant industrial nation of that area, is faced with similar problems of trade. If anything, Japan's problems are more extreme. Where Western Europe has enjoyed a substantial improvement in productivity and output, Japan has lagged behind. Her industrial plant, taxed by years of war and economic isolation, has suffered in terms of modernization and efficiency. Moreover, her dependence on foreign markets both as outlets for her manufactured goods and as sources of supply for her necessary raw materials is, if anything, greater than that of Western Europe. At the same time, our reliance on Japan as the major bastion of free-world strength in the Far East demands our attention and concern. The problem of integrating the Japanese economy into that of the free world and of making Japan economically viable must be regarded as a major test of our economic statesmanship. This problem presents a special challenge to our leadership of the free world. It presents as well a particularly apt example of how our trade policy is necessarily the handmaiden of our foreign policy.

The economic problems that beset Japan are not unfamiliar to the Senate. Japan's very existence depends on its imports of rice and raw materials. The lag which she has experienced in renovating her industrial plant and the difficulties that she has encountered in expanding her trade have resulted in a dollar problem all her own. In recent years, the large commercial trade deficit that has characterized Japan's balance of payments has been covered by extraordinary United States military expenditures that have been in large part associated with the waging of the Korean war. As in the case of Western Europe, these expenditures and these presently available dollars must be regarded as temporary phenomena. The urgency of expanding Japan's exports of manufactured goods, particularly in the Far East region, can not be overemphasized. The benefits of such expanded trade would quite naturally accrue, not only to Japan, but also to the other countries of the region. In particular the underdevel-

oped countries of south and southeast Asia present a most logical and economical market for Japanese production. These countries—and I include such important rice producers as Indochina, Burma, and Thailand—offer in combination with Japan the prospect of expanding and mutually beneficial trade within the Asian region. The farsighted leadership that the United States has shown in developing mutual security within the free world must now be applied to laying a solid foundation of closer commercial relations with the Far East.

That, I believe, is in accordance with the statement of the able Senator from Colorado [Mr. MILLIKIN]. That, I believe, is the policy of the administration, and that policy I support. I applaud it. I think it is enlightened statesmanship.

It is a remarkable fact that of all our major trading partners, Japan is the only country with which we have not negotiated a trade agreement in the 20 years that we have had a Reciprocal Trade Agreements Act. No more important gap in our foreign trade policy remains to be filled. I believe that, too, is in accordance with the sentiments expressed by the able Senator from Colorado. It is, therefore, with special emphasis that I wish to direct attention to the provision in the amendment which I am offering today, which seeks to remedy this situation.

The so-called Japanese proviso in the amendment gives the President special authority to engage in a trade agreement negotiation with Japan and with the other nations of the free world for the express purpose of promoting the full-fledged membership of Japan in the world community of trading nations. This authority would provide for reduction of duty rates by a maximum of 50 percent of the level obtaining on January 1, 1945. I should point out here that this authority is no more than the authority the President would enjoy under a 1-year extension of the Reciprocal Trade Agreements Act, as amended. We agreed on that, I think, a few moments ago.

I deem it essential, however, that the specific authority be granted to the President, if for no other reason than to recognize explicitly that we alone, by negotiation with Japan on a purely bilateral basis, could not accomplish the results that we so urgently seek. The United States wishes to see increased market opportunities for Japan, but it wants these opportunities spread around the world, not concentrated solely in the United States. It is, therefore, necessary to provide some way in which we can negotiate multilaterally with Japan, in concert with the other nations of the free world, for the mutually beneficial reduction in trade restrictions. The special provision for Japan was written with just that object in mind. In particular, it is my hope that through the use of this special authority we can begin negotiations which will lead to the reduction of duty rates now impeding the access of Japan to the markets of the United Kingdom and the British Commonwealth.

Through such a process of multilateral negotiations, we can allay the fears of Japanese imports which fears, bred in the prewar period, are entertained by so many countries. Through such a process, I believe we can move forward on a multilateral basis which will allow Japan to live and to trade. I think her choice is rather stark. It is either to trade or to starve. The United Kingdom and British Commonwealth Governments are more likely to grant such concession to Japan in an agreement in which they, at the same time, receive concessions from a variety of other countries, including the United States. Only a multilateral negotiation could bring about this result, and there is doubt that multilateral negotiation of this sort could be undertaken without added authority in the hands of the President.

I doubt seriously if it would be at all possible, in an 11-month period.

Unless we can accomplish the ends we seek, Japan will be faced with the same disagreeable alternative which faces Western Europe, namely, trade with the Communist bloc. Do not think that Red China has not been very busy. Not only is she pushing for trade with Japan, but she has entered into trade agreements with 13 of our allies.

The economic compulsion to engage in trade with the Reds will be irresistible. Japan has an arable land area less than California, and on it she must support a population of over 80 million people. She has been able in the past to sustain this population by becoming a major industrial power, but being resource poor, she has had to rely on others for her vital raw materials and foodstuffs, as well as for the markets for her manufactured goods. Under these circumstances, Japan must engage in international trade to live. She must export to buy her vital imports.

Japan's exports have not enjoyed the degree of access to the markets of the free world which is necessary if Japan is to continue to sustain her imports of raw materials and foodstuffs, for Japan must import most of her raw materials and much of her food. At present Japan's imports dangerously outweigh her exports. In 1952 the adverse trade balance reached \$759 million. Her trade deficit in 1953 was over a billion dollars, larger by far than for any previous year.

How can a small country with a population of 80 million on barren islands continue to pile up a trade deficit?

Japan's trade with the United States is also sharply out of balance. Remember, Japan is our best customer in many respects. Her trade deficit with us in 1952 was \$539 million. Japan is an important customer of ours. Almost one-third of all of her imports come from the United States, and we in turn bought about one-sixth of her total exports. Unless we help her gain markets for her exports, she cannot import from the United States; and we, in turn, are one of her good customers. We bought approximately one-sixth of her exports.

In 1952, for example, Japan was our largest customer for cotton, rice, barley, and soy beans, and our second most important customer for wheat. In the face

of declines in the export of our farm products, which in 1953 fell by more than \$600 million, it is in our own self-interest and in the interest of the well-being of our farms and factories that Japan shall continue to be a strong and healthy market for our products, and a strong and healthy ally of the free world. But even more important, is the fact that if we and the other nations of the free world do not facilitate the integration of Japan's economy into that of the free world, she will, as a result of the forces of economic necessity, resort to other trading patterns and ultimately resulting political ties. One need only recall that before the war the China mainland supplied Japan with 10 percent of her imports. Trade with Korea and Formosa that before the war supplied 25 percent of Japan's imports, now supplies only 4 percent. Japan must, therefore, if she is to be a strong and secure outpost of the free world in the Far East, develop new trading patterns. This need is an urgent one. I agree with the Senator from Illinois and the Senator from Montana as to that.

The dollars Japan has been earning in recent years, which have sustained her ability to import, cannot be expected to continue to be available indefinitely. The Korean war, thanks to our Heavenly Father, is not now being waged. The rehabilitation of Japan is well on the way. Economic aid, not only to Japan, but also to Western Europe, is, I hope, coming to an end.

The logical place for an expansion of Japanese trade is in the Far East and the Southeast Asian region where Japan's neighbors live. There are the major rice producing countries—Thailand, Indochina, and Burma. There also are existing and potential sources of industrial raw materials. There, too, are the major underdeveloped countries of the world that seek relief from the burdens of poverty and economic stagnation.

The region of Southeast Asia and the Far East has become, I need not tell you, the arena for the continuing struggle between the free world and Communist slavery. Our economic concern with these countries has been, and must continue to be, great. There, through technical assistance, through grants-in-aid, and through loans, we have tried to aid and speed up the process of economic growth that is so important to the survival of the democratic way of life.

Trade between us and these countries, and between these countries and Japan, can make a substantial and continuing contribution to the resources of those countries for economic development and progress. Here, especially, because our imports from the area consist in the main of industrial raw materials, the stability of United States trade is important—important for us, important for Japan, important for the economies of the peoples of Southeast Asia.

The economy of the United States, as I have said, is very, very large and, in comparison, the economies of free Nations in the Far East are very small. Everything that occurs in this country in the economic sphere, has repercus-

sions on Asian nations in multiplied effect. The slightest economic recession here is feared by them because the backwash upon them, relatively speaking, is a tidal wave; and, of course, the inverse is true as to prosperity here. It creates a tremendous uplift abroad. Let me give a few examples. In 1938 we had a business recession that was I think relatively mild, and there was probably not more than a 5 or 6 percent drop in our national income. The dollar earnings of the area in trade with us declined, not 4 or 5 percent, but 55 percent.

The trade surplus of the Philippines declined 80 percent, that of Malaya by 56 percent, Indonesia 55 percent, India 57 percent, and so on. The area's sales to Europe also declined. In 1949 we had an even milder recession in this country, but the effects on trade balances with the Asian region were even more pronounced. When the Korea struggle broke out and the requirements of war and defense necessitated increased buying of raw materials, both for current use, and for stockpiling purposes, the dollar trade of the region boomed. But such extreme fluctuations in trade are unhealthy. I need only point out that dependability of trade and earnings is vital to the execution of the programs of economic development which so many of the countries of the area have in mind, and to which their democratic governments are committed.

Again I submit that an 11 months' extension does not fit this need.

The instability of foreign exchange earnings has been, and probably is today, the most critical problem of international economic relations facing these countries. From 1951 to 1953 the volume of non-Communist Asia's exports fell by \$3 billion, which amounted to a decline in their foreign exchange earnings of 25 percent. The development and expansion of mutually beneficial trade within the Asian economy can hold forth great promise, not only for Japan but also for Japan's neighbors in Asia, and also for the producers of the United States.

The authority that the President would have to negotiate a multilateral network of trade concessions would yield dividends in trade and security throughout the free world. It would permit the integration of Japan into the trading system of the West. The authority which the President would have under my amendment would facilitate the mutual expansion of markets in the region of the Far East.

I do not believe that an 11-months' extension would give to the President the tools necessary to enable him to do what should be done. A 3-year extension would facilitate the mutual extension of markets in the region of the Far East. It would encourage the expansion or production of primary industrial materials in the underdeveloped areas of the world to the advantage, not only of Japan, but of all other nations engaged in the operation of the trade agreements, and I would not except the United States of America.

Mr. President, what are the implications of the reduced export trade for the

continuing prosperity of our own country and the people of the United States? I have referred in my address to problems in general, to problems in Western Europe specifically, to problems involving farm commodities and industrial workers in the United States specifically, and to the Japanese problem specifically. I now wish to treat of the impact upon this country of the continued loss of our foreign markets. It is obvious that foreign trade means more than the obtaining of vital raw material from other nations for our military security and the prosperity of our country. It means jobs in our industry and prosperity for our farmers and business. It means effectively strengthening our friends in the world at large, as well as strengthening ourselves; strengthening them not only to fortify their economies, not only to make them independent of American financial aid, but also to enable them to buy from us what we must sell to the world. As President Eisenhower has said:

By making it possible for our friends to sell their products to us, we thus at once help them to be strong and enable them to earn the dollars by which they can, in turn, help our economy to be healthy.

That is a fine statement by the President.

A high level of international trade is essential, as I have said, to continuing United States prosperity. Our Nation now exports annually, as I stated to the distinguished Senator from Wisconsin earlier, from 7 to 9 percent of its total output of movable goods. Imports equal 4 to 6 percent of our total production of goods. This exchange of goods between America and the rest of the world involves our sending abroad those things we produce most efficiently, and receiving in return those things which are more efficiently made abroad and which, in some instances, cannot be made here at all.

Without this trade, some of the most dynamic United States industries would have to reduce production, and the American consumer would be forced to buy high-cost substitutes for foreign goods, resulting in dislocations which create deflationary pressures. Ultimately we would have to adjust to a lower standard of living. The jobs of over 4 million Americans whose employment is dependent on the American export-import market would be in jeopardy.

In addition to permitting a reduction and eventual elimination of foreign aid, a more liberal commercial policy could save many millions of dollars annually to the Federal budget, and again I hope that saving is not far off. For example, if dollar exchange is not available abroad, foreign purchases of United States agricultural commodities would decline sharply—they are already declining sharply—and thus would greatly increase Commodity Credit price support expenditures. This is happening today to a distressing extent. Only this week Secretary Benson announced drastic production limitations to our farmers, to which announcement I have already made reference.

Moreover, a large proportion of our exports of manufactured goods is composed of products manufactured by small- and medium-sized companies. Well over half of the American output of many import-export products, such as flour, machine tools, and agricultural machinery, is manufactured in establishments employing less than 1,000 workers. Many of these companies, which produce vast commodities for export, have less than 100 employees.

A more liberal commercial policy means greater prosperity to the United States. It means more business for big business, and more business for small business. It means more jobs for labor; it means greater income for all. All branches of our economy—industry, farm labor, agriculture—prosper as our trade barriers are lowered. More liberalized trade is fundamental to American economic self-interest.

Mr. KENNEDY. Madam President, will the Senator yield?

Mr. GORE. I yield to the Senator from Massachusetts.

Mr. KENNEDY. If the amendment offered by the Senator from Tennessee is agreed to, how much does the Senator think would be the dollar value of the imports which would come into the country during the 3-year period? Has the Senator made any study of that factor?

Mr. GORE. No estimate has been made of which I am aware. The volume would depend upon how successfully the administration entered into and obtained reciprocal concessions. Of course, as the Senator from Massachusetts knows, the whole spirit of the law is that the President will under take to gain concessions for the United States in return for concessions granted other countries, relating to products the importation of which will not result in serious injury to industries in this country. Without knowing the degree of response which other nations would give to the efforts of the President, I do not see how an estimate could be arrived at.

Mr. KENNEDY. Assuming that the program contained in the amendment offered by the Senator from Tennessee were put into effect, I think it would be possible, under the formula suggested by the Senator from Tennessee, to arrive at a maximum estimate. It may not be possible to estimate how far short of the estimate we will fall, but at least we could estimate what the maximum volume could be by ascertaining the percentages of imports for each year.

Mr. GORE. Once could arrive at an estimate based on the maximum concessions which the President would be permitted to make in our own import duties. I do not know how one could arrive at an estimate of the maximum concessions which the President could obtain from countries abroad.

Mr. KENNEDY. Even under the figures given by the Senator from Tennessee, it does not seem to me that there would be a very substantial rise in imports from abroad. Considering all the statistics we have and the effect of the amendment of the Senator from Tennessee, it does not seem to me there would be a very substantial increase.

Mr. GORE. If the Senator is saying, by implication, that I am not submitting a radical proposal, I agree with him. If, for example, the import duty on a certain product were 20 cents, and under the limit of the proposed authority the President would have power to reduce the duty on the product only to 19 cents, and he could not do that without submitting his proposal to the Tariff Commission, for advice, and without the application of the peril point and the escape clause provisions. I agree with the Senator that I am offering only some mild steps in the direction of progressive liberalized international trade.

Mr. KENNEDY. In other words, the Senator from Tennessee has not any figures as to what, if his amendment were adopted, would be the maximum amount which could be imported above what would be imported if the existing act were merely extended for a year. He does not have any rough estimate in dollar figures?

Mr. GORE. Mr. President, I have an estimate of the increase under an 11-month or 1-year extension. I think it would be practically nil. I would hope that under a 3-year extension, with these liberalization provisions in the bill, the program would have time to operate, and the Department of State and the President would have time to hold conferences and to negotiate multilateral agreements that would be materially beneficial to the United States and to the other countries of the free world.

Of course, I cannot give the Senator from Massachusetts an ironclad promise that such would be the result; but the President of the United States has said that with these tools, he thinks he can do the job. He has requested these tools, and I am willing to grant them to him.

Mr. KENNEDY. Is it not a fact that if a reduction is made in any of the tariffs, it will remove a certain percentage of the market that is being served by United States companies?

Mr. GORE. I do not believe that is necessarily true, because many imports which can enter the United States would not be competitive—although some of them would be. Many products are not made in the United States.

For instance, the Senator from Wisconsin [Mr. WILEY] has referred to shoes. Last year, 1 percent of our consumption of shoes came from abroad. Obviously, that 1 percent was to a limited extent competitive; but I do not think it was seriously so, because our domestic shoe industry still had 99 percent of the American market, and exported more shoes than were imported, I believe.

Mr. KENNEDY. The only point I am making is that, inasmuch as I in part represent an area that is particularly vulnerable to competition from abroad, I am wondering whether the result of the Senator's amendment would be to increase the competition from imported goods and their impact upon our domestic industries, even though there might be benefit to some of our producers of agricultural commodities, the automobile manufacturers, and others who especially benefit from expanded foreign

trade. In other words, would not the additional dollars which would go to exporting industries be obtained at the expense of particular domestic industries?

Mr. GORE. I wish to disabuse my very able friend's mind from one presumption upon which he has predicated his question, namely, that the majority of the benefit from export trade goes to agriculture. That is not the case.

Mr. KENNEDY. I did not mean to suggest that the majority of the benefits would go to agriculture, but agriculture is among the beneficiaries.

Mr. GORE. I believe the Randall Commission estimated that 4,376,000 jobs were involved in our export-import trade. Of that number, less than one-fourth—or 976,000—were the jobs of agricultural workers.

To come specifically to the question the able Senator from Massachusetts has asked, let me say it may be possible that a liberalization of our trade program would cause injury here or there in our country. Of course, the act contains provisions which would apply in case injury occurred, although I doubt that the injury would be great. Nevertheless, it is my sincere conviction that in the Senator's own State of Massachusetts, the benefits accruing from increased export trade would greatly exceed the injuries that might be suffered.

Mr. KENNEDY. Dr. Howard S. Piquet, of the Legislative Reference Service of the Library of Congress, has made a long and detailed study of this matter. In his book entitled "Aid, Trade, and the Tariff," he states that—

In terms of percentage increases, the most significant changes probably—

That is to say, if all tariffs were removed—

would be in the textile group, including such items as coarse linen toweling and hemmed linen handkerchiefs (from the United Kingdom), linoleum (from the United Kingdom and the Netherlands), cotton hosiery (from France and the United Kingdom), woollens and worsteds (United Kingdom), and apparel wool (largely from Australia); in the machinery and vehicle group, including full-fashioned hosiery knitting machines (United Kingdom), bicycles (United Kingdom and Germany), and sewing machines (Japan, Germany, and Italy); and in the miscellaneous group, including clocks (France, Switzerland, and Germany), optical instruments (Japan, Germany, and France), and toys and dolls (Japan, the United Kingdom, and Germany).

As the Senator from Tennessee knows, what Dr. Piquet really is reciting is an almost complete list of the basic commodities manufactured in the northeastern section of the United States.

Mr. GORE. However, the Senator from Massachusetts has indulged in a presumption which is not properly to be considered in connection with the amendment I have submitted.

Mr. KENNEDY. I appreciate that fact.

Mr. GORE. The Senator from Massachusetts used the words "if all duties were removed."

Mr. KENNEDY. Yes.

Mr. GORE. I do not propose to have that done, and I would not advocate it.

Mr. KENNEDY. That is correct.

Mr. GORE. I daresay the Senator from Massachusetts is aware of the fact that a few textile industries exist in Tennessee.

Mr. KENNEDY. Yes.

I do not wish to be too local about this matter, but it seems to me there are two points to be considered: first, whether the Senator's amendment would have any effect on trade—

Mr. GORE. I believe it would be immensely beneficial to the State of Massachusetts.

Mr. KENNEDY. Well, let us take a broader view.

Mr. GORE. I believe it would also be immensely beneficial to the United States and to all the rest of the free world. Certainly that is taking a rather broad view.

Mr. KENNEDY. Second, if the Senator's amendment would have an appreciable effect upon our foreign trade—and I am not sure it would—would not it be at the expense of industries which are particularly vulnerable to imports; and would not the amendment benefit domestic industries which benefit particularly from export trade? I am not thinking only of agriculture; I am thinking also of various industries, particularly those located in the Middle West.

I am sure the Senator from Tennessee understands that this is a matter of great concern to the people of Massachusetts. Before I can vote on this amendment, it is essential that all facts be discussed and that all questions be amended; I should like to have an answer to these two questions.

Mr. GORE. I hope the Senator from Massachusetts will conclude to vote for the amendment. I sincerely believe it will be in the best interests, not only of his State, but also of the United States and the rest of the free world. Obviously there would be injury to some industries if all tariffs were removed. However, I do not propose that that be done.

It may be that even the slight reductions authorized by the amendment I have offered would, if put into effect, injure some. However, protections are provided. The escape-clause provision of the law and the peril-point provision of the law will remain. Furthermore, the proposed decreases would have to be submitted to the Tariff Commission for advice; and even if they were agreed to in the case of every commodity to which they would be applicable, I submit that the concessions would still be rather mild. Let us compare the 5-percent reduction in tariff duties proposed to be authorized for next year with the 50 percent authorized in the original Reciprocal Trade Agreements Act. I know many persons feared then that certain of our industries would be put out of business. But we find that, without one exception, trade between the United States and the countries with which the United States has reciprocal trade agreements and trade within the framework of the most-favored-nation application of those agreements has increased. I believe the test of time proves this to be beneficial to all the States of the Union.

Mr. KENNEDY. The Senator from Tennessee is as able a debater as I have known for a long time.

Mr. GORE. I thank the Senator from Massachusetts.

Mr. KENNEDY. However, it seems to me that he emphasizes how little his amendment will mean, percentagewise, to domestic industries if it is adopted and put into effect.

Therefore, I should like to ask two questions: First, what is the judgment of the Senator from Tennessee as to how important his amendment would be from the point of view of stimulating foreign trade?

It seems to me that, percentagewise, his amendment would not mean very much in respect to our foreign trade. I should like to have the Senator express his opinion on that score.

In the second place, if his amendment will mean a good deal, in terms of dollar volume, in stimulating foreign trade, what effect will the amendment have upon domestic industries that are particularly vulnerable to imports—taking into account the peril-point and escape-clause provisions and the fact that little real relief has resulted from these provisions in the past.

Mr. GORE. In view of the exceptions that are set forth, I believe the able Senator from Massachusetts must bear in mind the difference between the effect of the amendment upon the United States and its effect upon the smaller countries with which we would enter into trade agreements—if such agreements were executed.

A very small concession, a very small increase in their share of the market in the United States might, as a practical matter, be unfelt in this country, but might mean a great deal to a country which is tottering on the brink of accepting the bait offered by Communist Russia.

I believe that these concessions are very small. I should like to go further, I will say frankly to the able Senator, but I have recommended here what has been agreed upon by a bipartisan commission, what has been agreed upon by Republicans and Democrats, what has been requested by the President of the United States. I believe, as the President has said, that it is the minimum that is necessary unless we are to do nothing and shock our friends in the world into the fear that we are going back in the other direction, to the old Smoot-Hawley days. Then perhaps they will throw up their hands in disgust and turn and accept the bait being held out to them.

Mr. President, I think all Senators agree that whenever we consider tariff legislation we hear a great deal more about the possible injury than we do about the benefits. We rarely hear talk about those who will be injured by the falling level of exports.

What are we going to do about injury to the industrial workers of the country? I say that the industrial workers of America are vitally concerned in our foreign markets. I have some very interesting figures on industrial production which I should like to use.

In 1953 we exported 15 percent of our production of turpentine, 21 percent of our production of resin, 23 percent of our lubricating oils, 24 percent of our sulfur, 31 percent of our graders used in construction work, 45 percent of the track-laying tractors produced by our factories, 13 percent of our motortrucks and coaches, and 37 percent of our complete civilian aircraft.

Not only did this mean jobs for the people who worked in the factories making civilian aircraft, motortrucks, coaches, tractors, trailers, and so forth, but it meant jobs for truck drivers driving the trucks hauling these products. It meant jobs for railroad employees. It meant jobs for people at the ports, loading the tractors onto ships, and for the men who manned our merchant marine, plying the oceans of the world.

As I stated earlier in colloquy with the able junior Senator from Massachusetts [Mr. KENNEDY], more than three-fourths of the jobs in export-import trade are in nonagricultural employment.

Are the workers who produce these commodities and the hundreds of other products of our export-dependent factories unimportant or unworthy of our consideration? Of course not. No one takes that position. No Member of the Senate is so cold hearted. Do we consider unimportant the workers engaged in transporting, distributing, and manufacturing products which we import and export? Of course not.

Let look at some facts. The staff of the Randall Commission made a study of employment factors in a paper titled "Employment Attributable to Foreign Trade, 1952." This paper presented estimates of the number of persons dependent for employment on foreign trade. It was based on testimony of Secretary of Commerce Sinclair Weeks before the House Ways and Means Committee in 1953. The paper states that it is estimated there were 2,150,000 non-agricultural workers and 976,000 agricultural workers dependent upon exports in 1952; 1,250,000 workers were dependent upon imports, either in transportation and distribution or in manufacturing. Thus the total employment attributable to foreign trade is estimated at 4,376,000.

How does this factor compare with the number of workers who might be adversely affected if we enact the President's trade program? The Randall Commission looked into this problem, too. In a paper titled "United States Workers Producing Goods Equivalent to Import Increases in the Case of Temporary Tariff Suspension" it found that it is estimated that if all tariffs were suspended temporarily, not more than 202,000 workers were likely to be affected adversely. Mind you, that is based on the assumption that all tariffs are suspended. The amendment I have offered does not envision so sweeping a change. It proposes only very moderate change. Of course, Mr. President, the figures showing 4,376,000 workers dependent on imports and exports and 202,000 workers vulnerable to increased imports as a result of temporary tariff

suspension, are estimates. But they are informed estimates. They place in proper perspective the order of magnitude of the problem we face. Let me emphasize once again, however, that we are not talking at this point about tariff suspension or abolition. The trade program before us is a program for modest adjustments on items to be carefully selected—a carefully thought out conservative program, and, in the President's own words "A minimum essential program for the building of a stronger America as an integral part of a strong and economically free world."

An informed analysis of the factors involved would indicate to a reasonable man that our national interest lies in the direction of increased international trade. Surely the figures I have discussed point to but one conclusion, and that is that our continued prosperity is contingent upon a high level of export trade.

Unless we adjust our trade policy in this time of crisis so that Europe can expand its trade with the United States and the free world, the inevitable result will be a deflection of European trading in the direction of the Soviet bloc. There is a substantial historical connection between Western Europe and Eastern Europe. Prewar trade relations between the two areas were strong, with Eastern Europe supplying a large portion of the raw materials requirements and foodstuffs for Western Europe. In the postwar period this trade has languished. In part this has been due to the absolute unavailability of Western European products during the period of reconstruction. It has also been due to the policy of economic independence which until recently has been followed by the Soviet Union and its satellites. A third and important factor is the economic sanctions imposed against Communist countries.

Following the death of Stalin, a substantial change in Soviet economic policy toward the West was discernible. The Soviet Union, it would appear, has tried to capture the initiative in its global strategy by using economic warfare to split the allies. The economic exigencies that Western Europe faces have made these countries susceptible to the economic blandishments of the Kremlin. If the Soviet Union succeeds in turning our European allies away from the West, that will be a major catastrophe. The only real and lasting solution to these problems is that we stimulate higher and more stable levels of mutually beneficial trade. This is a responsibility which we cannot afford to shirk. Even if these policies implied a burden and a cost to us, we would be wise nonetheless to undertake them. But the simple and elemental fact is that we stand to gain from such increased trade through expanded outlets for our own products.

I do not need to point out to my colleagues that this remarkable recovery thus far made by Western Europe has been due in large measure to the generosity of the American people.

Nor need I point out to my colleagues that the day is approaching when America will no longer make the dollar gifts

to our western allies. When this day comes, what will happen to Europe? What will happen to the United States?

The answer is unpleasant to contemplate, unless we realize and act on the necessity for expanding world trade as the substitute for economic aid.

In Western Europe the Communists have lost their propaganda battle against economic recovery in Western Europe. We have put the lie to the Soviet propaganda claims that our Marshall plan aid was American imperialism. The truly cooperative effort for European economic recovery has served to bind the free world together and has resulted in increased mutual regard and consideration which is so essential to unity among free democratic nations.

But we cannot rest on the laurels that we have won. For one reason, the Communists will not let us. The strength and security of the free world alliance must continuously be nourished. If we stop and withdraw, then, all that we have done will have been for naught. We are at a particularly crucial point at this time in the development of the free world alliance. The economic recovery of Western Europe that has been so much a product of our efforts, must be preserved so that it can make its maximum contribution to the economic welfare and military security of the free world. We must, by continuous effort, protect our investment, for if we are derelict and lose the initiative in the struggle, our adversaries will be quick to capture it. The boldness of initiative manifested in the Marshall plan and in the other programs of economic and military aid must now be turned to the development of programs of trade within the free world. If we fail to do this, the alternatives are obvious. If we do not trade with the free world, then the free world—East and West alike, will trade with the Soviet bloc. The delays that we have already encountered in putting into effect a more liberal trade program have done the free world alliance considerable harm. The Russians have been quick to take advantage of our errors. In the past 18 months we have seen a new look in Russian strategy. On the economic side—and I need not point out that everything the Russians do has an economic aspect—on the economic side the Russians have been trying to woo Western Europe away from trade with the other countries of the free world and toward increased trade with the Soviet Union and its satellites. Not only would this, if successful, increase the dependence of Western Europe on Soviet sources of supply, but the Kremlin has also much to gain in the form of hard goods and tools to expand its industrial capacity, and of increased consumer goods to satisfy the demands of the peoples in the satellite countries. The East Berlin riots of just a year ago gave evidence of the restiveness of the captive peoples, especially the independent labor movement of Eastern Europe. Demands of their armaments and the accelerated pace of industrialization in the satellites and in the Soviet Union, have undoubtedly placed extreme burdens on the consumers in these countries.

Apparently the signal has now been given to go slower and to eliminate the disaffection among the satellite peoples by offering them more bread and goods.

The Kremlin has other objectives in mind, too. One of the most effective ways of undermining the free world blockade on the shipment of strategic war supplies to the Communist world is to slowly chip away at these controls by expanding nonstrategic trade. Earlier in the game the Kremlin gave away its hand by demanding strategic goods in exchange for foodstuffs and raw materials. Now its trade offensive has become less obvious. It no longer demands strategic goods, but is satisfied with ordinary commercial trade. Let us not delude ourselves about the ultimate objective; it is to make Western Europe so dependent on the Soviet bloc that the controls over trade in strategic goods will no longer be effective. For where economic influence is expanded, political influence is increased.

One cannot deny that given the economic circumstances of Western Europe, Russia can make trade with the Soviet bloc appear attractive. In fact, the Red state trading monopolies have made it their business to offer good bargains. With a continued shortage of dollars in Western Europe—and this goes back to the question asked by the able and distinguished Senator from Massachusetts [Mr. KENNEDY]—and with no evidence from us that we are willing to liberalize our trade policy, our friends in Western Europe are faced with the economic necessity of trading with the Reds. We read almost daily of new discussions between East and West on trade. We hear of trade delegations going behind the Iron Curtain to negotiate barter agreements.

Every time we do something foolish, like rejecting a low British bid for power transmission equipment, or turning our back on further reciprocal trade agreements, the Russian propaganda machinery begins to grind, and newer and better trade deals are offered.

What will happen if Russia's trade offensive is successful? It has given considerable evidence that it promises to be successful. The answer to that question is important to the people of every State in the Union, including the people who think they might be injured a little by this program. The answer is of vital concern to the people of New England, the North, the South, and to every citizen of the United States.

First of all, we lose customers to the Russians. We lose markets which are vital to the welfare of our domestic producers. It is plain bad business for us to sit still and do nothing and allow the customers of America to be taken away by anyone else to our disadvantage, but more particularly by those who compose the conspiracy to dominate the world.

Second, the area of Russian economic and political influence is expanded. The net result would be that the unity of the free world is diminished. The tremendous investment that we have in the free world is compromised. We lose by default to the Communist economic

offensive that which we have spent billions to protect. By shortsightedness, by vacillation, by doing foolish little things, we are in danger of undoing the tremendous good that we have accomplished with so much care and at such great cost to ourselves.

Indications are that the Communist trade offers are finding plenty of takers. Already Russia has concluded trade agreements with Argentina, Canada, Denmark, Egypt, Finland, France, the United Kingdom, Greece, Iceland, India, Italy, Iran, Norway, Sweden, and West Germany. She has issued invitations to a number of Asiatic and Pacific countries to send trade delegates to a conference in September and October of this year. Countries invited are India, Burma, Indonesia, Ceylon, Afghanistan, Pakistan, Thailand, Japan, the Philippines, Nepal, Malaya, and British Borneo. The delegates are to spend approximately a month studying development of Soviet industry and agriculture. The invitations were issued at the February meeting of the United Nations Economic Commission for Asia and the Far East at Kandy, Ceylon. Then, on April 30, Semyon K. Tsarapkin, Soviet delegate to the United Nations Economic and Social Council, offered all Latin American countries the same kind of invitation for the same month. Both Asian and Latin American representatives will be guests of the Soviet Government during their entire stay. It is reported that several Middle East countries are also to be invited.

As an additional inducement to underdeveloped nations, the Soviet Bloc, since the beginning of this year, has signed at least 10 new trade agreements with Asian and Latin American countries calling for trade worth more than \$100 million in the next 12 months.

Apparently, the Reds really mean business. Asian and Latin American countries have been officially informed that Moscow is ready to grant them substantial commercial credits and, what is more, to accept payment in local currency.

That is a step which we have been debating on the floor of the Senate. We have not proceeded very far with it, but Russia has made the announcement that she is willing to accept local currencies.

Long-term trade agreements are being offered ostentatiously as a means of assuring a raw material supply for Soviet Russia and of stabilizing its export production schedules. At the same time, these agreements guarantee stable revenue to countries which have suffered periodically from sharp price fluctuations for such prices as tin, rubber, copra, tea, and rice. The formula is the same one Nazi Germany used to tie the depression-stricken East and Southeastern European countries to Germany prior to World War II.

Let me point out to my fellow Senators that while Russia is offering this stable market, offering to accept local currencies, offering long-term agreements, what kind of program do we propose? We propose to continue the uncertainty. What foreign country would venture the guess that this 11-months' extension will

be in effect 2 years from today? It is an uncertainty which is doing great damage, as is the lack of a positive movement for liberalization.

We must assume that the Soviet Union is technically capable of extending industrial and commercial credits to capital-poor countries. Already, she has made technical assistance agreements with India and Afghanistan, and is negotiating with others.

European imports from the Soviet Bloc have consisted primarily of goods for which Europe would otherwise have spent scarce dollars.

That comes back to the question submitted to me by the able Senator from Massachusetts [Mr. KENNEDY].

It was estimated about a year or so ago by a U. N. survey team that if Western European trade with the Soviet Bloc were to return to the levels of that trade in 1938, Western Europe could save 300 million scarce American dollars a year.

They are moving in that direction. Every time a million dollars' worth of imports in Western Europe is transferred from the United States to iron-curtain countries, we lose customers; we lose jobs. Russia gains influence as well as customers.

Today, Western Europe is buying about 8 percent of all its bread grains from the East and about 21 percent of its livestock grains, while we wrestle with a grain surplus. Timber is another important commodity with one-fourth of all the Western European purchases of sawn woods coming from the East. The U. S. S. R. and the rest of Eastern Europe have been buying relatively more machinery-manufactured goods and transport goods. These products make up almost half of East European imports from the West. In line with the so-called new policy that Malenkov has enunciated, consumer goods imports from the West have increased. We know that in the last 6 months of 1953 and the first month of 1954, the Soviet Government made arrangements to buy food from the free world amounting to about \$90 million in value. Butter was the biggest item, having a value of \$40 million, with Denmark and the Netherlands as the major suppliers.

In addition to food, the Soviets are stepping up their imports of textiles from Belgium, Netherlands, France, Italy, and the United Kingdom.

In recent contracts with the West, Russia has ordered from Great Britain, machinery, machine equipment, tools, and other hard goods. Argentina has contracted to buy petroleum, coal, machinery, power plants, and drugs in exchange for wool, hides, linseed oil, and meat.

Let me point out that we have petroleum products to sell. We have coal to sell, and we have coal miners who are unemployed. We have machinery to sell.

France has a 3-year agreement by which she will get corn, anthracite coal, chrome, manganese, and asbestos, and will sell linen, silk, lead, and fruits. Meanwhile our coal miners work part-time or lose their jobs and our corn bins are full.

Greece has a \$20 million agreement by which she will get crude oil, coal, and timber in exchange largely for tobacco.

Denmark has contracted to supply the Russians five refrigerator ships.

The Soviets have also made smaller arrangements with Egypt to swap wheat for cotton, with Holland to swap automobiles for foodstuff, and with Norway to exchange automobiles for ships.

The Russian satellites have been active as well. Czechoslovakia, for example, has negotiated barter arrangements with a series of western European countries. In the case of Greece, Czechoslovakia has been seeking to sell lumber, sugar, prefabricated houses, and textiles. The Netherlands will export frozen beef. A Czechoslovakian-Brazilian treaty provides for the sale by Brazil of iron ore, hides, copper, and cocoa. It is known that a trade agreement with Bolivia is under consideration through which, if consummated, Bolivia would exchange \$4 million worth of tin, lead, sulphur, bismuth, and other products for machinery. I point out that the United States has machinery to sell and has need for tin.

Polish trade agreements with the West are primarily concerned with the exportation of Polish coal. Among the western European countries signing agreements specifying delivery of substantial quantities of Polish coal are Austria, Sweden, France, and Finland. And this has been taking place while United States coal can undersell Polish coal in European markets and our exports of coal fell by almost one-third in 1953 from the 1952 levels.

West Germany has also been susceptible to the trade blandishments of the Soviet bloc. The recovery of German production has been remarkable, and the pressures on Germany for disposing of her production abroad have been great. Her natural inclination is to develop trade with the countries with whom she traded in the prewar period. "Then, she was a heavy industrial supplier to what are now the Communist countries of Eastern Europe. Germany then received grain and tobacco from the Balkan countries; she depended upon Hungarian and Polish eggs and meat, Russian timber and oil, and Czech iron. In return, Germany used to send to the East the products of its factories—iron and steel, machinery and chemicals. Today, German trade with the eastern bloc is far below the levels of that trade in the early thirties when 15 percent of German foreign trade was with the East. Today, this trade is no greater than 2 percent of Germany's foreign trade, but the pressures for expanding it are increasing all the time. She has negotiated trade and payments agreements with all the Soviet satellites with the exception of Rumania. One interesting thing is that there is no diplomatic representation between West Germany and the East; but apparently that has not made any difference so far as the negotiation of trade agreements is concerned.

One commodity that figures prominently in this actual and prospective trade with the East is wheat. It would

be a very distressing political as well as economic development if West Germany were to switch its purchases of wheat from the United States, Canada, and Australia to the Soviet Union. With our exports of wheat in 1953 having fallen by 33 percent from the levels of 1952, and with our total exports of agricultural products having fallen by almost two-thirds of a billion dollars, further losses to our markets to the Soviet bloc would be disastrous to American agriculture.

Almost one-fourth of all West European imports from the Soviet bloc have consisted of grains and cereal preparations. All in all, foodstuffs make up between one-third and one-half of such imports by the free world. Coal and coke account for \$200 million of imports and wood, pulp and manufacturers for over \$100 million worth of imports from the Soviet bloc. Even oilseeds and fats and oils which are big export items for us have been displaced by imports from the Red nations. In recent months, the Soviet Union has been expanding its exports of petroleum and petroleum products and of automobiles to Western Europe.

To be sure, the total trade now moving between east and west is not very great. The total of such exports and imports stands at about \$3 billion. But for individual countries, the markets in the Soviet bloc make a substantial contribution to their export trade. Austria exported 11 percent of her total exports in 1953 to the bloc, Iceland 20 percent, and Finland 31 percent. For some of the other countries of Western Europe, this trade accounts for 4 percent or more of their total exports. In this category, we find Denmark, Greece, Italy, Norway, Sweden, Switzerland, and Turkey. Even for France and the United Kingdom, markets in the East take substantial percentage of the exports of individual commodities. For France, the Soviet bloc has accounted for 78 percent of France's imports of beef, 21 percent of its pork, 54 percent of its potato starch, 38 percent of its anthracite coal, and 22 percent of its fuel oil, and 24 percent of its print rayon fabrics.

Let me remind the Senate, Mr. President, that United States producers are losing foreign markets.

In 1951 United Kingdom imports from the Soviet bloc amounted to \$235 million, of which half were from the Soviet Union. Scandinavia has been the major importer of Polish coal. Italy sends to the bloc sardines, anchovies, citrus fruits, cork, synthetic fibers, and photographic equipment, and imports hogs, grain, timber, coal, fuel oil, soybean, and peanut oil.

One must keep in mind in appraising these developments in east-west trade, that the major reason for the free world's exports to the Soviet bloc is that other markets have not opened up to accept the goods that Western Europe stands ready to export. The imports that they get from the bloc are of less importance than the markets the bloc offers. Western Europe would be willing and eager to buy from the rest of the

free world if it felt that it could expand its sales to the free world.

Another characteristic of this trade is that the direct trade between the West and Russia has been increasing. Russia takes a far larger proportion of western trade now than it did before the war when the bulk of Western trade was conducted with what are now the satellite countries. How this development fits the design and strategy of the Soviet trade offensive is apparent. Soviet economic exploitation of the satellite states of Eastern Europe has served to put Russia in a dominant economic position in the bloc and she is using her economic power to wage economic warfare against the free world.

Mr. President, the trade offensive which the Soviet bloc has undertaken is comparable in its significance to the political and military aggression which we have spent billions to counter. We must not sit idly by and allow it to succeed without a struggle. The only effective approach lies in the enactment of an enlightened trade policy of our own. We must let our friends know that we, too, stand ready to cooperate with them in their efforts to develop their markets. Enactment of the pending amendment with its modest authority to negotiate for removal of trade barriers will provide some assurance that we are headed in the right direction. Failure to enact the amendment may force some of our friends to make an agonizing reappraisal of their trade interest.

Mr. President, isolationism in whatever form, political or economic, is no longer a safeguard for the United States, but a menace. We cannot look out upon the world around us and think today that what we do is irrelevant to those who are with us in the great alliance. America's economic position is so pre-eminent that what we do affects every member of the free alliance. It is no longer possible for us to regard trade policy as solely a matter of domestic politics. And fortunately we are in a position where our own economic interests and our world responsibilities converge in a trade policy which will permit an expansion of international transactions.

This is not a matter which we can put in the context of this year's elections or last year's elections. We must regard it as a reflection of the demands of our world position during every day that passes.

To say that it is sensible to review our international trade policy during the course of a whole year and then, when difficulties arise, to propose a further year of study and consideration is to abdicate our responsibility. Our friends in Europe and throughout the world, those upon whom our security depends, look to us for an initiative.

I do not regard the issue of developing a trade policy as one that we can take or leave alone, but rather as one that presses for our immediate attention. What particularly recommends the trade proposals contained in my amendment is that they are moderate recommendations on which Americans can agree—recommendations which

bear a clear relation to our national interest, recommendations already having bipartisan endorsement. But, far more important, at a moment when the stakes of the great alliance are as high as they are today, these trade recommendations are an earnest example of our good intentions as the leader of the free world.

We, of all the free nations, have little reason to postpone a decision in the field of international trade. We must continue to expand our economy. We have demonstrated the ability to expand our production at a rate thought unbelievable only a few years ago. At the same time, the other nations of the world continue to have a pressing requirement for the products of American farms and factories in their drive toward more stable economies. With these forces at work in the world, and with our way of life at issue, the voices of postponement do not ring in my ears with much conviction.

We are being asked to give another year of study to the policies that are before us today. I am not one who counsels precipitate action, and I hardly think it could be said that recommendations which have received the attention of so distinguished a group as the Randall Commission over a period stretching from last summer until this spring, is precipitate action. But if there are those who believe this is hasty consideration, I would point out also that every Department of the executive branch concerned with this problem gave additional months of study to the report of the Randall Commission and still did not find cause to reject its major proposals. What we have before us today embodies the distillation of all of this work. I, for one, find no reason to believe that another week, or another year, of study will add very much to what is before us now.

The recommendations of the Randall Commission are wholly consistent with the trend of trade policy which began 20 years ago with the original Trade Agreements Act. We are not launching into the unknown, but are expanding and deepening our involvement in a trade policy which has served us and the free world well. I would not urge upon this body some radical and untried course. I do urge an acceptance of a well-charted course and a program along a well-known road. These proposals are moderate proposals, aimed at permitting us to continue to deal with the problems of international trade in a sensible, careful, and American way. Without the limited additional authority here provided, the President and our Government will be hamstrung in their efforts to tailor our international relations to our obvious domestic interests and foreign policy goals.

Of the 17 members of the Randall Commission, 10 of whom came from Congress and 7 from the public, all but 3 joined in supporting the recommendations embodied in my amendment. These are the recommendations which I have proposed as an amendment to the act extending the trade-agreements program for 1 year. It is not really conceivable to me that any larger or wider

measure of agreement could be secured on any other set of studies, or on any other set of proposals, no matter if we studied the subject another week, another month, or another year.

We have had representatives of agriculture, business, and labor—Republicans and Democrats—working upon these problems with only one guide for their efforts, and that guide was the national interest. We have watched public opinion develop behind these proposals in every area of our national life. There is every indication that the American people support the use of the trade agreements program as a technique for dealing with international trade problems. There is nothing in my amendment which alters this steady and successful method of approach. On the contrary, the recommendations provide a framework in which we can move forward in our quest for an expansion of the free world's trade which will be beneficial to every member of the great alliance. If we act now, we can secure the full advantage of our initiative. If we wait a year, it is difficult to know what we will be able to gain. It is clear that we will have lost the immediacy of the thrust.

In our own enlightened self-interest in its broadest sense, I urge the Senate of the United States to approve this cautious step toward a progressive foreign trade policy.

AUTHORIZATION FOR CERTAIN TRANSACTIONS BY DISBURSING OFFICERS OF UNITED STATES—CONFERENCE REPORT

Mr. CAPEHART. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2844) to amend the act of December 23, 1944, authorizing certain transactions by disbursing officers of the United States, and for other purposes, and I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2844) to amend the Act of December 23, 1944, authorizing certain transactions by disbursing officers of the United States, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same.

HOMER E. CAPEHART,
WALLACE F. BENNETT,
BARRY GOLDWATER,
BURNET R. MAYBANK,
J. W. FULBRIGHT,

Managers on the Part of the Senate.

CLARE E. HOFFMAN,
JEFFREY P. HILLELSON,
GLENARD P. LIPSCOMB,
WILLIAM L. DAWSON,
JOHN W. MCCORMACK,

Managers on the Part of the House.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the report was considered and agreed to.

EXTENSION AND IMPROVEMENT OF VOCATION REHABILITATION SERVICES

Mr. LEHMAN. Mr. President, yesterday the distinguished junior Senator from Connecticut [Mr. PURTELL] made a unanimous consent request, which appears on page 8144 of the RECORD, as follows:

The Senator from New York [Mr. LEHMAN] wishes to offer supplemental views. I ask unanimous consent that, when they are received, they be made a part of the report.

That statement was slightly in error, although I deeply appreciate the courtesy of the Senator from Connecticut.

The unanimous consent request should have been to grant permission to the Senator from Montana [Mr. MURRAY], the Senator from Alabama [Mr. HILL], the Senator from West Virginia [Mr. NEELY], the Senator from Illinois [Mr. DOUGLAS], and myself to file our views in connection with the report on Senate bill 2759; and I now ask unanimous consent that that may be done.

The PRESIDING OFFICER. Without objection, it is so ordered.

REAPPRAISAL OF FOREIGN POLICY

Mr. HUMPHREY. Mr. President, a very thought-provoking address was given at the Harvard commencement exercises at Cambridge, Mass., on June 17, by John Cowles, president of the Minneapolis Star and Tribune and retiring president of the Harvard Alumni Association.

Neither Mr. Cowles nor his newspapers are political supporters of mine. They are supporters of President Eisenhower.

Yet I want to call the attention of the Senate to Mr. Cowles' address as a constructive contribution to our present thinking in regard to foreign policy—an expression of a responsible citizen who shares the conviction of many of us that the destiny of our western civilization makes it imperative that America assume its role of world leadership on a bipartisan plane—the conviction that the needs of our time call urgently for a reappraisal of our foreign policy that goes beyond narrow partisan lines.

The title of Mr. Cowles' impressive address was: "It's Time We Made a Reappraisal of Our Foreign Policy." It would be well for all Members of this body to read it. I particularly call its attention to members of the Committee on Foreign Relations.

Mr. President, I ask unanimous consent that the text of Mr. Cowles' address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

IT'S TIME WE MADE A REAPPRAISAL OF OUR FOREIGN POLICY

(By John Cowles)

We Americans must learn not to fear change solely because it is change. As the

geochemist, Harrison Brown, says in his stimulating and important new book, *The Challenge of Man's future*, "no matter what happens in the world of the next few decades, change will be the major characteristic."

Let me give one more quotation from Brown's book: "We in the United States are in a position of overwhelming responsibility at the present time, for in a very real sense the destiny of humanity depends upon our decisions and upon our actions. * * * Never before in history has so much responsibility been inherited by a group of human beings. Where in previous times the lives of individual nations and cultures were at stake, today the stake is destiny of all humanity."

I think we can all agree that the maintenance of our freedom, without war, if that is possible, is our prime objective. In addition, we want to keep as much of the rest of the world free as we possibly can, knowing that the more the globe is overrun by the Communist imperialists the smaller is our chance of maintaining our own long-term freedom and security.

The problems confronting us are incredibly complex. Some of them appear insoluble. Any brief discussion of them must necessarily be an oversimplification, but I would like to comment on a few.

"AGONIZING REAPPRAISAL" NECESSARY

I believe that events have made necessary that agonizing reappraisal of our foreign policy to which Secretary Dulles has referred.

In connection with this agonizing reappraisal I hope, first of all, that President Eisenhower and Secretary Dulles will consult with responsible Democratic leaders as full partners along with Republican congressional leaders in the formulation of major foreign policies and make every effort to secure bipartisan agreement.

If, as it now appears, the European defense community is not going to be ratified, alternative measures for keeping western Europe free and secure will have to be devised and adopted.

Not only is the French political situation hopelessly confused, but the recent attacks on Chancellor Adenauer's policy by two of the most influential members of his own party, former chancellors, Bruening and Luther, may be of deep significance in foretelling a major shift of German policy away from integration with the West.

I have no doubt that those critical problems relating to western European defense will receive the full consideration and debate that their high importance merits, and I am not going to take the time to discuss them today. I suggest, however, that there are other phases of our foreign policy that also deserve reappraisal and which over the long run may prove equally important. Moreover, in order to secure agreement on a new plan for the defense of western Europe if EDC is abandoned, we should not lightly make new commitments there that would tie our hands and prevent our pursuing policies that we regard as right in other parts of the world.

COLONIALISM IS DYING

For example, we should recognize that the whole idea of colonialism is dying, and set our future foreign policies within the framework of that emerging fact.

Admittedly many of the still subject peoples are not yet sufficiently educated and trained to be ready for independence and self-government. But the desire for independence in many areas promises to become almost irresistible. Should not the United States, then, in its agonizing reappraisal, adjust its policies so that they will not clash with the aspirations of the people to be free? We simply cannot afford to continue to let the Communists create the false im-

pression that they alone are against colonialism, and that the United States is for it.

I fully realize the short-run, tactical difficulties that might be involved in clarifying our attitude on colonialism. I venture to suggest, however, that part of the reason for the deterioration in the United States' position is because in conducting our foreign policy we have placed altogether too much emphasis on short-run, tactical, and defensive aspects and not enough on an affirmative long-range program.

What would happen to our air bases in Morocco, one may ask, if the Moroccans should become free? But if a free and independent Morocco felt that the United States was genuinely its friend, why should it not be willing to let us keep our air bases there as one way of helping to preserve its own liberty?

The desire for self-determination, for independence, is on the march throughout the globe. The United States must not permit the impression to be created that it resists that trend. Why let Soviet Russia and Red China appear to the natives anywhere to be the only powers sympathetic with their legitimate aspirations for freedom, when we know that Russia and China are imperialistic exploiters bent on subsequently enslaving the people who succumb to their wiles?

NEHRU UNDERESTIMATED IN UNITED STATES

Why should the United States not make crystal clear its sympathy with Nehru in his aspiration to have Portugal give up the three colonies or enclaves that it still holds in India and France give up the four that it holds? If we want to bring Nehru into closer alignment with us, what more effective thing could we do?

We fail to grasp how deeply most Asians, including Nehru, loathe colonialism, and how instinctively they suspect that the westerner who talks about preventing the spread of communism in Asia may secretly be wanting to exploit the natives, just as the French exploited the Indochinese.

The United States also seems grossly to underestimate both Nehru's prestige throughout Asia and, as the Prime Minister of the most populous member of the British Commonwealth, his influence at 10 Downing Street, London.

In the reappraisal of our overall long-range foreign policies, I suggest also that the United States put much more emphasis on its genuine desire to help raise the standards of living of the underdeveloped areas by aiding in their rapid industrialization. We are already doing some splendid things under the point 4 or technical cooperation administration but not nearly enough.

Tonight, three-fourths of the peoples of Asia and Africa will go to bed hungry, or half hungry and undernourished.

Most people in Asia and Africa are farmers barely able to produce enough food to keep themselves alive. Since almost all of their energy goes into food production there is little surplus available to produce capital goods. As a result they badly need dams and irrigation systems, chemical plants to make fertilizer, factories to make farm equipment and other things which would enable them to increase their total output and so raise their standards of living.

By spending only a fraction of the amount of money that we spent in Western Europe on the Marshall plan, we could help the underdeveloped areas of Asia and Africa enormously.

THERE'S A "POPULATION BOMB," TOO

In our reappraisal of foreign policy we should realize that the problems of getting rid of war and eliminating poverty are inextricably intertwined. We should also understand that starvation can't be overcome unless the underdeveloped nations become industrialized faster than their population grows.

Unless hundreds of millions of people are killed by atomic or hydrogen bombs or die from starvation in the ensuing devastation, at the current birth rate the world's population is going to treble or quadruple within a hundred years.

We should also realize, as someone has wisely said, that while the atom bomb is only being stockpiled, the fuze of the population bomb is already lighted and burning. Every day adds 93,000 more people to this planet.

It is in these underdeveloped areas, areas not yet solidly aligned with either the free world or the Soviet bloc, that population growth is the most rapid. Poverty is the soil in which communism breeds fastest. In addition to helping industrialize these underdeveloped areas, wherever the people and their governments want it, we should include education in methods of birth control as a major part of the public-health program. Lowered birth rates will result in better public health and higher standards of living.

Our overall program for these underdeveloped areas should have as its ultimate goal the production of goods sufficient for their needs. In that way everyone would eventually have adequate food and housing, education, medical facilities, and nutrition.

In addition, I believe our long-range foreign policy program should include the advocacy of universal disarmament under effective and continuous international inspection and control. The attainment of this goal may not be possible in our lifetime, but the more we advocate it in the U. N., the more we will convince the other nations that we are not militaristic war mongers, and the sooner we will spike the Communists' principal propaganda guns.

Some people say that universal disarmament under effective international inspection and control is too remote to consider, and an idea too dangerous to discuss. My reply is that timidity is tragic when the free world's future is in balance. Like the elimination of poverty, it may take a long time to accomplish, but let's set our sights high.

And until we do eventually achieve the goal under which we could safely join in universal disarmament, let's build our military defenses and our retaliatory striking power to such a point that there can be no doubt in the minds of the Communist leaders as to what the result would be if they attacked.

NO MONOPOLY ON WISDOM

Again, in reappraising our foreign policy we should recognize that we don't have a monopoly on all wisdom, and we should be less insistent in trying to force our views down the throats of our allies or potential allies, particularly in comparatively unimportant matters.

Since the United States contains only 6 percent of the population of the globe, our foreign policy must rest on a system of alliances. Therefore we should reexamine those of our policies which irritate or alarm our allies. Such policies as reexamination indicates are vital to our security should of course be maintained. But some policies on which we have taken strong positions may seem, after we have reappraised them, less important than we have assumed. In any event, I believe, we should be more flexible and more conciliatory in our efforts to reach complete agreement with our partners, particularly the British.

I favor making every possible effort to persuade Nehru immediately to accept leadership of a movement to organize a defensive alliance of the southeast Asian countries. We should make clear to members of such an alliance that a request to the United Nations to guarantee their independence and help them protect themselves against ex-

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. LEHMAN. I understood that Senate bill 2862 was to be taken up this evening.

Mr. KNOWLAND. The Senator is correct. It is planned to take up that bill as soon as the copper bill is disposed of.

Mr. LEHMAN. I note that the author of the bill is not present.

Mr. KNOWLAND. I think the Senator from Nevada [Mr. McCARRAN] will be present by the time we reach that stage.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I am glad to yield to the Senator from Oregon. I hope other Senators will withhold the placing of material in the RECORD until we can dispose of the copper bill. Then I shall endeavor to keep the Senate in session until all requests can be taken care of.

ADDITIONAL SPONSORS FOR COUGAR AND GREEN PETER POWER BILLS—CORRECTION OF RECORD

Mr. MORSE. Mr. President, I should like to have the attention of the Senator from New Mexico [Mr. ANDERSON].

I ask unanimous consent to have fresh prints made of S. 3623, to provide for power generation at Cougar Dam and integration of such facilities with the Northwest power pool, and S. 3624, to provide for power generation at Green Peter Dam and integration of such facilities with the Northwest power pool, in order to include additional sponsors. The Senator from North Dakota [Mr. LANGER], the Senator from Iowa [Mr. GILLETTE], and the Senator from Missouri [Mr. HENNINGS] are to be added.

I also wish to have the RECORD corrected. The junior Senator from New Mexico [Mr. ANDERSON] kindly consented to submit the bills for introduction last Thursday when I was temporarily absent from the floor. He indicated that he was asking unanimous consent to do so for me and the other cosponsors. Through error he was carried as a sponsor. I ask unanimous consent to have the bill reprinted without the name of my good friend, the junior Senator from New Mexico, who was once again doing me a kindness when he introduced the measures for me during a necessary absence from the floor of the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

TRADE AGREEMENTS

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 330 of the Tariff Act of 1930, as amended.

Mr. KNOWLAND. Mr. President, on behalf of both the minority leader and myself I send to the desk a proposed unanimous consent agreement relative to the Reciprocal Trade Agreements Act,

and ask that it be read for the information of the Senate.

The PRESIDING OFFICER. Without objection, the proposed order will be read.

The proposed order was read, as follows:

Ordered, That following the morning business on Thursday, June 24, during the further consideration of H. R. 9474, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, debate on any amendment or motion (including appeals) shall be limited to not exceeding 60 minutes, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Colorado [Mr. MILLIKIN] in the event he is opposed to such an amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him; *Provided*, that no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further*, That debate upon the bill itself shall be limited to not exceeding 2 hours, to be equally divided and controlled, respectively, by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Texas [Mr. JOHNSON].

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement?

Mr. MALONE. Mr. President, am I to understand that the distinguished majority leader is asking for a limitation on debate, when it is generally understood that there are 5 or 6 statements of some length to be made on the other side of the aisle?

Mr. KNOWLAND. I will say to the distinguished Senator from Nevada that we started debate on the bill yesterday, and that considerable debate was had on it yesterday. Most of the day was occupied with that debate. As the Senator knows, on each amendment that would be offered to the bill 1 hour of debate would be available. In addition to that, on the bill itself there would be 2 hours of debate available.

With the very heavy program that confronts us for the remainder of the week, including a Saturday session, it seemed to Senators on both sides of the aisle that it might be helpful and desirable to try to get a unanimous-consent agreement in connection with the debate on the pending legislation.

Mr. MALONE. There is nothing before the Senate which is more important than what the Senator has explained.

Mr. KNOWLAND. As the distinguished Senator from Nevada knows, for every amendment he might offer under the agreement, there would be an hour of debate available. The agreement does not provide for a vote at a certain hour. There would be many hours of debate available, and to all intents and purposes the time for debate would be fairly well open, as I am sure the distinguished Senator realizes.

Mr. MALONE. The junior Senator from Nevada has no intention of offering a great many minor amendments. There is only one principle involved, and he intends to debate that principle. He does object to the limitation proposed.

The PRESIDING OFFICER. Objection to the unanimous-consent agreement is heard.

CONTINUATION OF SUSPENSION OF CERTAIN IMPORT DUTIES ON COPPER

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 1623, House bill 7709.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 7709) to continue until the close of June 30, 1956, the suspension of certain import duties on copper.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment, in line 7, after "June 30", to strike out "1956" and insert "1955."

Mr. MILLIKIN. Mr. President, the pending bill, H. R. 7709, would extend for 1 year the present law which suspends the 2-cents-a-pound import tax on copper under the circumstances provided in the existing law.

The point I wish to call to the attention of the Senate is that if the price of copper falls below 24 cents a pound the President is required at once to put on the 2-cent duty, which is the regular duty, if not suspended.

The bill would suspend the duty on copper for another year, unless it falls below 24 cents a pound.

I should like to say that the United States production of copper for 1953 was 1,366,000 tons, that the imports for 1953 were 673,000 tons, that the exports for 1953 were 144,000 tons, that the consumption was \$1,895,000 tons, and that the present imports amount to 35 percent of consumption.

In other words, we are not producing nearly enough copper to supply our domestic needs. That is the real basis for this kind of legislation.

I urge that the suspension be continued for another year.

COPPER IMPORT POLICY

Mr. MALONE. Mr. President, I have listened to the distinguished Senator from Colorado explain that we do not produce as much copper as we consume.

I would point out to the distinguished Senator from Colorado that we do not produce as much as we consume of about 33 minerals, including zinc and lead, which are normally produced in his State. Such mines, however, have been shut down under the very policy now under discussion, the difference being that the general policy under the 1934 Trade Agreements Act—so-called reciprocal trade—is administered by the State Department.

Mr. President, the longer we continue free trade the less we will produce. I merely wish to point out that there has been a reduction over the years in the production of most of these materials because Congress continues to extend the power of the State Department to

juggle the duty or tariff protection of industries. In this case—the difference is the tariff on copper—that the Senate itself continues to extend the free-trade privilege.

It is the desire of the junior Senator from Nevada, again to point out the effect of this policy.

Under a special contract we have just paid 30 cents to Chile for copper, which is 6 cents more than the amount mentioned in this bill as the point where the duty or tariff would again be applied. The 2 cents a pound is no protection. No principle is involved. The Congress should revert to the principle of fair and reasonable competition. The duty or tariff would then represent the difference in the wages and taxes. It would take the profit out of the low-cost foreign labor.

Mr. President, the duty or excise tax was 4 cents a pound, but it was cut to 2 cents a pound by the State Department in an agreement under the 1934 Trade Agreement Act. If the law is not extended, then the 2 cents will immediately apply. The President could then serve notice of cancellation of the trade agreement. The 4 cents a pound would then apply—and the Tariff Commission, as an agent of Congress, could then adjust the amount of the protection on the basis of fair and reasonable competition operating within the 50-percent leeway granted under the Tariff Act.

I have a table before me which shows wages paid in Chile. It points out that the average day's wage is 194.72 pesos. With bonuses and other emoluments, according to the table, it adds up to a wage of 488.44 pesos a day.

Today the curb rate for pesos in Chile is 350 pesos per dollar. That means that the wages in Chile are about \$1.40 a day, counting emoluments, such as housing and various other bonuses that are paid when the wage earner spends his money with the merchants of his city or country.

Mr. President, I ask unanimous consent that the table be printed in the RECORD as a part of my remarks. It is found at page 1048 of my February 10, 1953, address. I ask that the table be printed in the RECORD, with the corrections.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II.—Chilean exchange quotations, yearly averages, 1930–53

[Pesos per United States dollar]

Year	Special (ex-official)	Official	Provisional	Free banking rate	Free rate (curb)
1930	8.26				
1931	8.26				
1932	14.05				
1933	13.34			34.02	
1934	9.64			24.74	
1935	19.33			25.07	
1936	19.38			27.85	
1937	19.37	28.02		26.11	
1938	19.37	28.27		27.14	
1939	19.37	30.93		32.03	
1940	19.37	30.92		32.82	
1941	19.37	30.90		31.54	
1942	19.37	31.00		31.63	
1943	19.37	31.00		32.16	
1944	19.37	31.00		31.53	
1945	19.37	31.00		32.05	
1946	19.37	31.00		34.42	

TABLE II.—Chilean exchange quotations, yearly averages, 1930–53—Continued

[Pesos per United States dollar]

Year	Special (ex-official)	Official	Provisional	Free banking rate	Free rate (curb)
1947	19.37	31.00		47.15	
1948	19.37	31.00		59.82	
1949	19.37	31.00		77.74	
1950	19.37	31.00	60.00	89.88	
1951	19.37	31.00	60.00		85.48
1952	19.37	31.00	60.00	114.00	122.27
1953 (Jan. 31)	19.37	31.00	60.00	110.00	127.00
1954	19.39	110.00	77.00	110.00	350.00

Mr. MALONE. Mr. President, the table shows the various multiple rates that Chile adopts for trade advantage. It also shows the free rate governing purchases in the nation of Chile.

At that time they had 7 different rates. In the years 1948 to 1953, there was a special commercial rate of 19.37 pesos to the dollar, having to do with certain exchanges applying to the copper companies in the payment of wages.

The export tariff rate was 25 pesos. It has now been abolished, I am given to understand.

The official rate in 1953 was 31 pesos to the dollar, and had been at that figure since 1952. Before that it was as low as 28.02 pesos to the dollar. It is now 110.

The bank rate has been abolished. In 1953 it was 43 pesos to the dollar.

The special commercial rate was 50 pesos to the dollar. It has now been abolished.

The provisional rate was 60 pesos to the dollar in 1953, and is now 77 pesos to the dollar.

The free bank rate was 110 pesos to the dollar in 1953, and has continued at that amount.

The free rate was 127 pesos in 1953, on July 31. It is now 350 pesos to the dollar.

The manipulation or multiple exchange rates are for trade advantage—under one transaction a certain exchange applies—under a different situation another rate applies—the country of Chile controls these exchanges—and can create new exchanges when they so desire.

Mr. President, without going into further detail, I ask unanimous consent to have printed in the RECORD the marked excerpts in my February 10 address to the Senate, starting at page 1049 and ending on page 1051 of the CONGRESSIONAL RECORD.

There being no objection, the marked excerpts were ordered to be printed in the RECORD, as follows:

CONGRESS DISCOURAGES PRIVATE INVESTMENTS

I might say that Congress, to the extent of its machinations in the copper field and other entries into this field has encouraged that feeling. Congress has in its power to lay down the principle upon which the protection of the workmen and investors will be based that will encourage the investment of venture capital.

Venture capital is the only kind of capital that goes into a mining business until the soundness is proved in that particular mine. In other words, it is just like a wildcatter in the oil field, the prospector and the explorer.

Unless they have reasonable assurance that over the long years stretching ahead of them, where they have been spending money

without return, that when they find this ore there will be an adequate return, then the money will not be spent.

OBJECTIVES—CONGRESS

The objective, Mr. Chairman, then of the Congress would be to maintain our own economic integrity and encourage the domestic production of strategic minerals and materials in the interests of national defense and our national economy.

My concern, Mr. Chairman, is to develop new copper supplies in the United States. In the mining industry you must have prospectors. You must have investors who are willing to put up their money for exploration. To keep these men in the field at their own expense they must have reasonable assurance that they are not going to be destroyed from Washington, either by the legislative or the executive department.

PROSPECTOR—SMALL MINE—LARGE MINE

I would say over 35 years of observation and experience, perhaps 500 prospects may yield a small mine. Every one of those prospects represents the buried hopes of some prospector. Perhaps he goes on, gets another stake and goes to any other prospect. While he is digging in that prospect and until it pinches out on him or until someone convinces him it is hopeless, his full hope is buried in that one prospect. Five hundred of them would be a minimum for a small mine.

Perhaps 100 small mines—a prospect where some engineer might come in and recommend to a company with whom he has connections or an individual would spend \$500 or \$1,000 or \$5,000 or whatever it would take—take 100 of those small mines and it would produce a larger mine. I expect if the record were searched, it would be nearer 200 or 300. All along are strewn the hopes of these men who are trying to do this. Why do they stay with it? They do it because prospecting, exploration, and mining gets to be a disease once they are in it and they have that bag of gold or they think they have it at the end of the rainbow. That is what keeps them going. Lately we have not been developing many of those men because for 20 years there has been no hope because we removed the bag of gold at the end of the rainbow. Instead, what you do is move into Washington and try to get next to some Government department to loan you the money and guarantee a unit price and a short amortization period and maybe other emoluments so that what you are doing is furnishing the know-how—if in fact you have it and a lot of them get the money you do not have it. The result is that the taxpayers of the United States are in the business whether they like it or not. That, of course, we have all kicked about, and that is one of the reasons why taxes are too high and appropriations are too high.

NEED CONSISTENT CONGRESSIONAL POLICY

Of course, the point is continually made and has been made before this committee this time, and it was made 2 years ago when this matter was up for extension, by the advocates of free trade on a certain product, that since we do not currently produce enough copper for our own use, we must eliminate the protection to the domestic producer. In fact, concerning any product which is in short supply, free trade should be the rule.

The point is further made that when we reach the point of full and adequate domestic production for the domestic market, then such product or industry must have protection.

The utter fallacy and futility of such a policy is fortunately readily apparent. The argument falls of its own weight. The con-

Presidents of the United States who have served during war years.

Mr. LANGER. I thank the Senator from Minnesota.

Mr. President, I have referred to this matter solely in order to show how magnanimous the Democrats were in being willing to have the name of the dam changed from Boulder to Hoover. I think that was one of the finest things ever done in the Congress.

Mr. GOLDWATER. Mr. President, I should like to correct the RECORD, because an error has been made. I happen to have the honor of representing, along with my distinguished senior colleague [Mr. HAYDEN], the State that has ownership of the south buttress of Hoover Dam. If my memory serves me correctly—and I am sure it does—it was under a Democratic Secretary of the Interior that the name of the dam was changed from Hoover to Boulder; and it took a Republican Congress to restore to the dam the name that belonged to it.

EXTENSION OF TRADE AGREEMENTS ACT—UNANIMOUS-CONSENT AGREEMENT

Mr. LEHMAN obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New York yield to me?

Mr. LEHMAN. Yes, I am glad to yield.

Mr. JOHNSON of Texas. If the Senator from New York will yield for that purpose, let me say there is a proposed unanimous-consent agreement that we should like to have stated. It is submitted on behalf of the majority leader and myself.

Mr. LEHMAN. Very well.

Mr. KNOWLAND. Mr. President, I send to the desk the proposed unanimous-consent agreement, which I ask to have stated.

The PRESIDING OFFICER. The proposed agreement will be read.

The legislative clerk read as follows:

Ordered, That following the morning business on Thursday, June 24, and after a 2-hour speech by the Senator from Nevada [Mr. MALONE], during the further consideration of H. R. 9474, to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, debate on any amendment or motion (including appeals) shall be limited to not exceeding 60 minutes, to be equally divided and controlled, respectively, by the mover of any such amendment or motion and the Senator from Colorado [Mr. MILLIKIN], in the event he is opposed to such an amendment or motion; otherwise, by the mover and the minority leader or some Senator designated by him: *Provided*, that no amendment that is not germane to the subject matter of the said bill shall be received: *And provided further*, That debate upon the bill itself shall be limited to not exceeding 4 hours, to be equally divided and controlled, respectively, by the Senator from Colorado [Mr. MILLIKIN] and the Senator from Texas [Mr. JOHNSON].

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. As I understand the proposed agreement, it provides that the minority leader shall control 2 hours of the time on the bill.

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. I further understand that in that event the minority leader will be able to yield as much of the 2 hours as he may desire to yield at the time. For instance, let us say he desired to yield 1 hour to the Senator from Nevada, while speaking in his original 2 hours, as provided. That could be done, could it not?

The PRESIDING OFFICER. That is correct.

Mr. LANGER. Mr. President, at this time I object to the proposed agreement. If the proposal is submitted tomorrow, after the Senate meets, I do not think I shall object. However, one Senator who is not present at this time has mentioned the matter to me.

The PRESIDING OFFICER. The Chair understands—

Mr. LANGER. Mr. President, I withdraw my objection.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and it is so ordered.

RELIEF OF SHEEP-RAISING INDUSTRY

The Senate resumed the consideration of the bill (S. 2862) to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders.

Mr. LEHMAN. Mr. President, I am very sorry that I am compelled to speak at so late an hour on this bill. I wish to make it very clear that I did not request that the bill be considered at this time in the evening. So far as I myself am concerned, I would be very happy indeed to have the further consideration of the bill postponed until tomorrow. However, it is at the insistence of the distinguished majority leader that the bill has been called up for further consideration at this time.

I am surprised and deeply disappointed that the Senator who introduced the bill is not on the floor at this time, inasmuch as in the course of my remarks I wish to address myself to him and to seek from him answers to certain inquiries.

Mr. President, yesterday I objected to a request for consideration during the call of the Unanimous-Consent Calendar, of Senate bill 2862, the pending bill, which provides for the admission of a nonquota basis of 385 Basque sheepherders who are needed, I assume, in the sheep-raising industry of Nevada, and of the neighboring States, and who cannot otherwise be recruited from the available labor supply already in the United States.

I have no information whatever with regard to the needs of Nevada or the requirements of the sheep-raising industry in the Far West, for more sheepherders. I take it for granted that the distinguished senior Senator from Nevada has introduced this bill and is pushing it because there is a need, and because in the United States there is no alternative source of supply of qualified labor for this industry.

I do not wish to be in the position of opposing the legitimate needs of the sovereign State of Nevada, or of sister States in that region, or of the important sheep-raising industry in the United States. I have always felt that what is good for one region of our country is good for all, unless it specifically harms other regions or results in advantage to one at the direct expense of another.

Yet, Mr. President, I cannot refrain from raising basic policy questions which are inevitably involved in this bill. The Senate should know, and the public should understand, the significance of what we are proposing to do by means of the bill.

We have on our statute books an immigration law whose author and chief defender is the senior Senator from Nevada. The heart and soul of that law is the national origins quota system.

That system presupposes as a first and immutable principle that qualification for admission into this country must be based on the national origin of the alien in question. Our total annual immigration quota is broken down into rigid, iron-clad subquotas. There are thousands and thousands of cases of human tragedy and human heartbreak occurring constantly because of the inflexible, discriminatory nature of the quota system. Worthy and deserving persons—parents and grandparents and brothers and sisters of American citizens—are denied admission into this country because they happened to have been born in a country whose quota is oversubscribed.

Today there are 30,000 on the waiting list in Greece, most of whom have been on that waiting list since 1945. This is just one illustration. The example can be duplicated on an even larger scale in many other countries.

Now we are being asked to set that quota system aside, and to give non-quota status to 385 Basque sheepherders who are needed in Nevada. The annual quota for Spain is 250. There is a long waiting list under the Spanish quota. So we are asked to pass a special bill to give nonquota status to these 385 Spanish sheepherders.

Mr. President, I sympathize with the sheep-raising industry and with the sheep, too. But what about the American citizens who have mothers and fathers, grandparents, brothers and sisters, foster-parents or foster-children in Italy, Greece, Norway, Portugal, Turkey, Hungary, and Czechoslovakia? Are they not deserving of the same consideration as the sheep of Nevada?

And in my State, Mr. President, the great Empire State, we have economic needs, too—needs for skilled and un-

skilled men and women. We need expert tailors, expert shoemakers, and expert capmakers. We need engineers and scientists—oh, how desperately we need them. We need tool and die makers in certain categories. We need watchmakers. We need diamond cutters. Our vegetable growers on Long Island need farmhands.

We have unemployment in New York, too—bad unemployment. But we need certain special skills and certain non-skilled labor, none of which can be readily found in the present unemployment pool.

I repeat that I am sorry the Senator from Nevada [Mr. McCARRAN] is not in the Chamber. Will the Senator from Nevada, as ranking member of the Judiciary Committee and of the Immigration Subcommittee, as the most powerful and eloquent voice in this Chamber on immigration matters—usually in opposition to immigration—raise his voice in behalf of special bills to admit some Swiss watchmakers, some Czech tailors, some Greek goat herders, some Italian farmers, and some Polish bootmakers, in a nonquota status?

Mr. President, there is a vast need for farmhands in the south and southwest of our country. That need is now being met by illegal immigration from Mexico. There is a need for lumberjacks in the northwest and northeast. That need is being met by illegal immigration from Canada. Will the distinguished and able senior Senator from Nevada support special bills to establish nonquota admissions for farmers and lumberjacks from Cyprus, Malta, Norway, Jamaica, Trinidad, and the Philippines?

Again, let me say how sorry I am that the senior Senator from Nevada is not in the Chamber to make reply to these inquiries.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. LEHMAN. I am glad to yield.

Mr. WATKINS. The Senator from New York is aware of the fact that there is no immigration law which bars Mexicans from coming into the United States to work.

Mr. LEHMAN. There certainly is not.

Mr. WATKINS. Anyone can come into the United States from Mexico by obtaining a passport from his own country and a visa from this country to permit him to enter.

Mr. LEHMAN. That is one of the things that most deeply concern me. I shall refer to it a little later in my remarks. Millions of people are coming into this country illegally from Mexico, without the slightest examination or scrutiny.

We know nothing about them. We are doing nothing effective to screen or control them. Today we have 700 inspectors along the entire boundary of nearly 2,000 miles between Mexico and this country.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LEHMAN. Until a few weeks ago we had less than 300 patrolmen on this border. Millions of people are being permitted to come into this country illegally every year from Mexico.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LEHMAN. I am glad to yield.

Mr. WATKINS. I note that the Senator stated that millions of people are being "permitted" to come into this country. Does the Senator mean permitted by the officials of this Government? Does the Senator mean that officials of this Government are permitting them to come into the United States illegally? That is a serious charge.

Mr. LEHMAN. Wait a moment. If the Senator will permit me to make reply, under the terms of a bill which I have introduced, and on which there are a number of cosponsors—I think my distinguished colleague from Minnesota [Mr. HUMPHREY] is a cosponsor—every man and woman who comes into this country under a limited total quota of 250,000 for the world will have to be scrutinized.

There will no longer be any free entry from South America, Central America, or Canada, or from any other part of this hemisphere. They will all be subject to the same immigration laws as are now enforced with respect to people who come to the United States from Europe.

Mr. WATKINS. I understand that under the present law they must pass the same tests.

Mr. LEHMAN. Yes; but there is no quota whatsoever.

Mr. WATKINS. That is true. There is no quota for the people of the Western Hemisphere, but on entering the United States they must pass the same tests that anyone else must pass.

Mr. LEHMAN. They are supposed to pass the same tests, but we are not making much of an attempt to apply those tests. Time after time I have presented evidence that several million people are coming across the Mexican border into this country illegally without scrutiny of any kind. They are not being examined. They are not being scrutinized. They are not being screened. They are called "wetbacks," but they do not even have to wet their boots, much less their backs. All they have to do is to cross the border, and come into this country.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield.

Mr. WATKINS. I deplore the illegal entry of those people as much as does the Senator from New York. I think they are coming in illegally. Under the circumstances which now exist it would require almost an army to keep them from coming across the border. I intend to introduce tomorrow a bill which I think would be effective, if it were enacted, to stop the illegal entry of so-called wetbacks from Mexico, or illegal entry from any other country in the Western Hemisphere. I do not know that there is any considerable number of illegal entries from Canada. I have not heard of it. However, we are receiving many thousands of so-called wetbacks from Mexico. We are seriously concerned over it. The Department of Justice has been working on the problem, and I think a program has been evolved which would effectively stop the

illegal entry. I hope to introduce the bill to which I have referred tomorrow.

Mr. LEHMAN. I point out to my distinguished colleague that this year the Appropriations Committee, in spite of evidence that the swarm of illegal immigrants from Mexico is steadily increasing, cut the appropriation for the Immigration and Naturalization Service by \$3¼ million.

Mr. WATKINS. The Senator does not—

Mr. LEHMAN. Let me reply. Instead of cutting the appropriation, the committee should have increased it. I offered an amendment to the appropriation bill which would have provided an additional \$6 million for the Immigration and Naturalization Service, for the purpose of enforcing laws of this kind. That amendment was defeated in the Senate by a large vote. I then offered another amendment to increase the appropriation by \$3 million. That \$3 million, if it had been appropriated, would still have been slightly less than what was appropriated last year for the Immigration and Naturalization Service.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. LEHMAN. The Senate, led, I believe, by some men who have a selfish interest in illegal immigration into this country for the purpose of obtaining cheap labor, refused even to consider it, and refused even to permit me to have a yea-and-nay vote.

Mr. WATKINS. Mr. President, will the Senator yield further?

Mr. LEHMAN. I am glad to yield further.

Mr. WATKINS. I believe that in the judgment of many of those who have studied the problem of the illegal entry across the border between the United States and Mexico, it is not possible to enforce the law effectively by hiring guards. It would take an army to keep illegal entrants out. We believe there is another way of getting at the root of the problem, as will be explained when the bill I have mentioned is introduced. We are in earnest about this matter. I believe it is a measure that will be very effective in getting at the root of the trouble. I believe it would be a waste of money and would not be practicable at all to hire guards to keep all the illegal entrants from crossing the border under the circumstances that now exist. It is a long border, as the Senator knows.

Mr. LEHMAN. I know that.

Mr. WATKINS. The administration is in dead earnest in its effort to have these illegal entries stopped. I believe the measure I have in mind will do the job, and I hope the Senator will be willing to vote for it and to support it when it is introduced.

Mr. LEHMAN. I may say to the Senator from Utah that I very much hope that whatever measure may be introduced it will be effective if enacted into law. I point out that the Senator from Illinois [Mr. DOUGLAS] and I introduced a bill 2 years ago, I believe, which would certainly have been very substantially effective. That bill would have made it a felony or a misdemeanor for anyone knowingly to employ anyone who was il-

and insert "immigrant"; on page 3, after line 4, to strike out:

SEC. 4. The provision in Public Law 307 of the 82d Congress which provides for the deduction of a number from the appropriate quota for each visa issued thereunder is hereby repealed.

And in lieu thereof to insert:

SEC. 4. The quota numbers deducted from the appropriate quotas on account of Public Law 587 (81st Cong.) and Public Law 307 (82d Cong.), to the extent that they reduce the immigration quota of any country subsequent to July 1, 1954, are hereby canceled.

So as to make the bill read:

Be it enacted, etc., That, for a period of 1 year after the effective date of this act, in any case in which the Attorney General, under the authority of section 204 of the Immigration and Nationality Act, grants permission for the importation of a skilled alien sheepherder into the United States and the investigation of the application for such importation discloses that—

(1) the employment offered such skilled alien sheepherder is permanent; and

(2) no immigration quota number of the quota to which such skilled alien sheepherder is chargeable under section 202 of the Immigration and Nationality Act is then available, a special nonquota immigrant visa may be issued to such skilled alien sheepherder as provided in this act: *Provided*, That such skilled alien sheepherder is otherwise eligible to receive an immigrant visa under the immigration laws.

SEC. 2. The Attorney General shall certify to the Secretary of State the name and address of every skilled alien sheepherder for which an application for importation under section 204 has been approved. If a quota number is not then available for such skilled alien sheepherder, the proper consular officer may issue a special nonquota immigrant visa to such skilled alien sheepherder.

SEC. 3. (a) There shall not be issued more than 385 special nonquota immigrant visas under this act.

(b) Nothing contained in this act shall be construed as increasing the immigration quota of any country or of altering the requirements for admission of aliens into the United States.

SEC. 4. The quota numbers deducted from the appropriate quotas on account of Public Law 587 (81st Cong.) and Public Law 307 (82d Cong.), to the extent that they reduce the immigration quota of any country subsequent to July 1, 1954, are hereby canceled.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to provide relief for the sheep-raising industry by making special non-quota immigrant visas available to certain skilled alien sheepherders."

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. GOLDWATER, and by unanimous consent, the Committee on Labor and Public Welfare was authorized to meet tomorrow, during the session of the Senate.

TRADE AGREEMENTS

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

RECESS

Mr. GOLDWATER. Mr. President, with the understanding of the distinguished minority leader, I now move that the Senate stand in recess until tomorrow morning, at 11 o'clock.

The motion was agreed to; and (at 8 o'clock and 13 minutes p. m.) the Senate took a recess until tomorrow, Thursday, June 24, 1954, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 23 (legislative day of June 22), 1954:

POSTMASTERS

COLORADO

Della M. Svoboda, Agate.
Ray E. Snyder, Limon.
Lynne Taylor, Jr., Milliken.

CONNECTICUT

August F. Benvenuti, Torrington.

ILLINOIS

Ivan M. Prather, Charleston.
Charles H. Redebaugh, Dixon.

Theodore J. Kell, Jr., Dubois.
William R. Laur, Ina.
Miles L. Ward, Lexington.
Jack L. Schaub, Olney.
Howard C. Marshall, Orion.
Chester J. Steel, Sigel.
Walter Beinke, Staunton.

IOWA

Russell L. Jackson, College Springs.
Donald J. McGonigle, Odebolt.
William H. Rogers, Princeton.
Gilbert R. Dickinson, Richland.

KANSAS

Bion J. Reynolds, St. Francis.

MAINE

Edward P. Rand, Clinton.
Bernard A. Larlee, East Millinocket.
Gabriel O. Dumont, Skowhegan.
Joe P. Davis, South Berwick.

MARYLAND

Willard S. Nagle, Forest Hill.
Thomas C. Groton, Glencoe.

MICHIGAN

Sylvia I. Seppi, Chatham.
John E. Burling, Crystal Falls.
Lillian K. Kersten, Fulton.
Ivan G. Burnett, Luther.
Milford E. Reeder, Olivet.
Howard E. Augspurger, Sturgis.
George J. Danneffel, Whitmore Lake.

OREGON

Ruth E. Piquet, Long Creek.

PENNSYLVANIA

William N. Olson, Black Lick.
Louis H. Wilt, Breezewood.
Warren A. Putt, Camp Hill.
Robert F. Aucker, Jr., Freeburg.
Robert G. Kronk, Freedom.
Leslie Ditty, Karthaus.
Charles M. Hambricht, McVeytown.
William Clark McNeal, Milfin.
Russell S. Basler, Narberth.
Francis R. Murphy, Swedeland.

SOUTH DAKOTA

Helen D. Krebs, Raymond.

VERMONT

Frederick H. Grout, East Arlington.

VIRGINIA

John C. Tomko, Disputanta.
Barbara C. S. Gentry, Flint Hill.
Angier S. Conklin, Gordonsville.
William R. Berry, Jr., Meherrin.
Robert H. Stallard, Norton.
Jordan E. Wood, Prince George.
Ruby R. North, Tye River.
Julla P. Tyrrell, Woodbridge.

House of Representatives

WEDNESDAY, JUNE 23, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we are thankful for this new day and the opportunity which it affords us of having a part in solving difficult national and international problems.

Grant that the lofty ideals and principles of truth and righteousness, justice and good will may be the foundation stones upon which we are seeking to build a better world.

May we be confident that the vision of universal peace is not an idle dream, but something which is divinely inspired and ordained.

Help us to understand more clearly how greatly we need the guidance of Thy spirit as we strive to bring men everywhere into right relations to Thee and their fellow men.

Hear us in Christ's name. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 11, 1954:

H. R. 9004. An act to authorize the appointment as United States Commissioner, International Boundary and Water Commission, United States and Mexico of Col. Leland Hazelton Hewitt, United States Army, retired, and for other purposes.

On June 14, 1954:

H. R. 5765. An act for the relief of Henry C. Bush and other Foreign Service officers;

H. J. Res. 243. Joint resolution to amend the pledge of allegiance to the flag of the United States of America; and

H. J. Res. 481. Joint resolution to amend the act of July 5, 1949 (Public Law 157, 81st Cong.).

On June 16, 1954:

H. R. 356. An act to amend the Railroad Retirement Act of 1937, as amended;

H. R. 3725. An act for the relief of Curtis W. Strong; and

H. R. 6477. An act for the relief of the Columbia Hospital of Richland County, South Carolina.

On June 17, 1954:

H. R. 2828. An act to provide for a per capita distribution of Menominee tribal funds and authorize the withdrawal of the Menominee Tribe from Federal jurisdiction.

On June 18, 1954:

H. R. 107. An act to provide for the transfer of the site of the original Fort Buford, N. Dak., to the State of North Dakota;

H. R. 1331. An act for the relief of Mrs. Katherine L. Sewell;

H. R. 2016. An act to authorize the Secretary of the Interior to sell certain land to the Board of National Missions of the Presbyterian Church in the United States of America;

H. R. 2226. An act to repeal the provision of the act of July 1, 1902 (32 Stat. 662), as amended, relating to pay of civilian employees of the Navy Department appointed for duty beyond the continental limits of the United States and in Alaska;

H. R. 2849. An act to amend the act entitled "An act to authorize the transfer of land from the War Department to the Territory of Hawaii," approved June 19, 1936;

H. R. 3573. An act for the relief of the estate of Anna I. R. Wells, deceased, and others;

H. R. 3907. An act for the relief of Jean Sutherland;

H. R. 5831. An act to enable the Hawaiian Homes Commission of the Territory of Hawaii to exchange available lands as designated by the Hawaiian Homes Commission Act, 1920, for other publicly owned lands;

H. R. 5833. An act to authorize the commissioner of public lands of the Territory of Hawaii to exchange certain public lands for private lands of equal value required for school purposes;

H. R. 5913. An act to simplify the handling of postage on newspapers and periodicals;

H. R. 6328. An act authorizing the exchange of certain public lands in the vicinity of Waimea, County of Hawaii, in the Territory of Hawaii for certain privately owned lands;

H. R. 6655. An act to amend the charter of the Columbia Institution for the Deaf, change its name, define its corporate powers, and provide for its organization and administration, and for other purposes;

H. R. 6888. An act to amend sections 201 (a) and 207 (a) of the Hawaiian Homes Commission Act;

H. R. 6890. An act to approve Act No. 27 of the Session Laws of 1951 of the Territory of Hawaii, entitled "An act to amend Act 24 of the Session Laws of Hawaii 1927, as ratified by the act of Congress of March 2, 1928, so as to extend the electric light and power franchise granted by said act to cover the entire districts of Waimea and Koloa on the Island of Kauai, T. H.;

H. R. 8044. An act to extend the authorization for funds for the hospitalization of certain veterans in the Philippines;

H. R. 8092. An act to facilitate the entry of Philippine traders;

H. R. 8487. An act to amend the act of June 19, 1948, to provide for censuses of manufactures, mineral industries, and other businesses, relating to the year 1954; and

H. J. Res. 455. Joint resolution granting the status of permanent residence to certain aliens.

On June 22, 1954:

H. R. 3249. An act for the relief of Katharina Link; and

H. R. 5416. An act to authorize the advancement of certain lieutenants on the retired list of the Navy.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amend-

ment bills of the House of the following titles:

H. R. 685. An act for the relief of Walter Carl Sander;

H. R. 3413. An act to grant oil and gas in lands and to authorize the Secretary of the Interior to issue patents in fee on the Fort Peck Indian Reservation, Mont., to individual Indians in certain cases;

H. R. 6154. An act to authorize payment of salaries and expenses of officials of the Fort Peck Tribes;

H. R. 6487. An act to approve the repayment contract negotiated with the Roza Irrigation District, Yakima project, Washington, and to authorize its execution, and for other purposes;

H. R. 8488. An act to restore eligibility of certain citizens or subjects of Germany or Japan to receive benefits under veterans' laws;

H. R. 8729. An act to amend section 14 (b) of the Federal Reserve Act, as amended;

H. R. 8790. An act to authorize certain veterans' benefits for persons disabled in connection with reporting for final acceptance, induction, or entry into the active military or naval service; and

H. R. 9089. An act authorizing the Administrator of Veterans' Affairs to grant an easement to Syracuse University, Syracuse, N. Y.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 56. An act for the relief of Erich Anton Helfert;

S. 2074. An act for the relief of certain Basque shepherders;

S. 3291. An act authorizing the President to present a gold medal to Irving Berlin;

S. 3302. An act granting to the Las Vegas Valley Water District, a public corporation organized under the laws of the State of Nevada, certain public lands of the United States in the State of Nevada;

S. 3303. An act granting to Basic Management, Inc., a private corporation organized under the laws of the State of Nevada, certain public lands in the State of Nevada; and

S. J. Res. 165. Joint resolution to provide for construction by the Secretary of the Interior of the Glendo unit, Wyoming, Missouri River Basin project.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 222. An act to suspend for 2 years the duty on crude bauxite;

H. R. 2231. An act to authorize the negotiation and ratification of separate settlement contracts with the Sioux Indians of the Lower Brule and the Crow Creek Reservations in South Dakota for Indian lands and rights acquired by the United States for the Fort Randall Dam and Reservoir, Missouri River development, to authorize a transfer of funds from the Secretary of Defense to the Secretary of the Interior and to authorize an appropriation for the removal from the taking area of the Fort Randall Dam and Reservoir, Missouri River de-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 25, 1954
For actions of June 24, 1954
83rd-2nd, No. 117

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HIGHLIGHTS: Rep. Hope introduced farm program bill. Committee was authorized to report it during House recess. Senate committee voted to continue rigid price supports and took other actions on farm program bill. Senate passed bill to continue trade agreements program 1 year. Rejected Mundt amendment to strengthen Sec. 22 on farm imports. Sen. Bowring spoke favoring flexible price supports. Senate committee voted to report bill to regulate pesticide chemicals. Sen. Douglas defended HRECA regarding amendment to increase REA appropriations. Both Houses received buildings lease-purchase bill. House passed measure continuing farm housing program 1 month. House committee was authorized to report foreign aid bill during House recess. Committee voted to report this bill, and it was cleared by Rules Committee. Rep. Chipenfield introduced this bill.

SENATE

1. FARM PROGRAM. The "Daily Digest" states: "Committee on Agriculture and Forestry ...continued its executive consideration of S. 3052,... following which it announced the following actions: (1) By a vote of 8 to 7, agreed to extend mandatory 90 percent of parity price supports for the basic crops for 1 more year; (2) Agreed to retain mandatory price supports for tung nuts and honey between 60 and 90 percent of parity; and (3) Agreed to introduce a separate bill to extend the authority of the Secretary of Agriculture to make agricultural conservation payments on a national basis. The committee defeated, by a vote of 9 nays to 6 yeas, a motion to extend mandatory 90 percent of parity price supports for the basic crops for 2 years." (pp. D731-2.)
2. TRADE AGREEMENTS. Passed, 71 to 3, with amendment H. R. 9474, to continue for 1 year (until June 12, 1955) the President's authority to enter into reciprocal trade agreements (pp. 8345-78, 8381-416). Agreed to an amendment by Sen. Johnson, Colo. (for Sen. Symington) to prohibit action under this authority which would decrease the duty on any article by an amount that would threaten supplies to meet national defense needs (pp. 8415-6). Rejected the following amendments: By Sen. Mundt, providing that if the Tariff Commission finds that imports of any commodity will materially hamper the price-support program, the President shall impose up to 50% fees on such articles; by a 23-52 vote (pp.

8408-13).

By Sen. Malone, to establish a Strategic and Critical Minerals and Materials Authority (pp. 8413-15).

During debate on the bill, Sen. Malone stated that farmers have what amounts to a protective tariff through price supports (pp. 8376-7).

3. PRICE SUPPORTS. Sen. Bowring spoke in favor of the Administration's recommendations for flexible price supports (pp. 8378-80).
4. REA APPROPRIATIONS. Sen. Douglas explained the development of his amendment to increase the REA item in the agricultural appropriation bill by \$35 million and defended the activities of NRECA in this regard (pp. 8417-19).
5. PESTICIDE CHEMICALS. The Labor and Public Welfare Committee voted to report (but did not actually report) with amendment H. R. 7125, to amend the Federal Food, Drug, and Cosmetic Act with respect to residues of pesticide chemicals in or on raw agricultural commodities (p. D732).
6. BUILDINGS. Both Houses received the conference report on H. R. 6342, to authorize GSA to acquire real property and to provide for construction of public buildings thereon by executing purchase contracts (pp. 8419-21, 8427-9).
7. VIRGIN ISLANDS. Senate conferees were appointed on S. 3378, to revise the Virgin Islands organic act, with a provision regarding importation of diseased animals (pp. 8335-40). House conferees have not yet been appointed.
8. NOMINATION of Lewis G. Castle, to be Administrator of the St. Lawrence Seaway Development Corporation, was received (pp. 8335, 8426).
9. LEGISLATIVE PROGRAM. The Labor-HEW appropriation bill was made the unfinished business. Sen. Knowland indicated that the Indian extension work bill would be considered today, the calendar of bills would be read Sat., and debate on the tax bill would begin Mon. (pp. 8416-7).

HOUSE

10. FARM PROGRAM. The House Agriculture Committee considered further the diverted acres question in connection with the farm program bill. The Committee was authorized to report the bill, H. R. 9680, during the House recess (until midnight June 26). It is expected that the bill will be reported today. (pp. 8435, D733.)
11. FOREIGN AID. The Foreign Affairs Committee ordered reported (but did not actually report) H. R. 9678, the Mutual Security Act of 1954. The Committee was given permission to have until midnight tonight, June 25, to file its report and the Rules Committee granted a rule providing for general debate on, and waiving points of order against, this bill. (pp. D734-5)
12. DEFENSE APPROPRIATION BILL, 1955. Agreed to the conference report on this bill, H. R. 8873 (pp. 8430-1). The Senate has not yet acted upon the report.
13. HOUSING LOANS. Passed without amendment S. J. Res. 167, to continue various housing laws for July 1954 pending enactment of the regular housing bill (p. 8435). This measure authorizes \$8,500,000 additional for loans under the farm housing program administered by this Department, plus additional amounts for contribution under the program. This bill will now be sent to the President.

omitted the primary causes and have gone far beyond the secondary. Would he seriously contend that the farmers who roamed the roads of Iowa with pitchforks and shotguns in the early thirties, or the industrial workers who stood in mile-long breadlines, or the veterans who sold apples on street corners, or the bankrupt businessmen who jumped from 10-story windows, did so because of something in their educational curriculum? Whatever one's political persuasion may be, one must concede that, surely, the economic forces which brought the industrial machine grinding to a halt constituted more important causes for social change than any possible influence of the little red schoolhouse.

What, then, is the role of education in social change? It would appear that in a democratic society such as ours, where, as in all societies, constant changes are required to maintain equilibrium between the rights of the individual and the protective functions of government, education serves two essential purposes: first, it strengthens the conviction that necessary adjustments can be made by peaceful means, and second, by spreading knowledge, it assists the people and their leaders to discover what the appropriate adjustments are. To say that education provides the motivation for change because it performs these functions is like saying that fire engines cause fires because they are usually present at the scene and seem to have a significant role in the proceedings.

It seems apparent, from some of the testimony previous presented before this Committee, that the director of research and his staff have done a considerable amount of research in the library. In that process, they have uncovered, in books and periodicals, numerous statements by educators advocating specific programs. Individual educators, like members of other professions, are human and are prone to argue that their ideas are worthy of immediate universal adoption. It would be an unwarranted inference to assume, however, that such statements invariably, or even usually, reflect prevailing beliefs or practices. The gap between theory and practice is as great in education as in other areas of human activity, such as ethics, and as great as the gap between individual opinions and the consensus in other professions, such as politics.

Furthermore professors, as the great historian Carl Becker once remarked, are by temperament people who think otherwise. If all their ideas were simultaneously adopted, the result would be utter chaos. Hence, by carefully selecting his excerpts, one can secure evidence from educational publications for almost anything he may set out to prove. The only way to find out what educational institutions are actually doing is to examine them at first hand, without preconceived ideas. That is a vast undertaking, which the research staff of this committee has apparently not undertaken and has certainly had inadequate time to complete.

I suggest to the committee, therefore, that it be wary of conclusions based on the wishful thinking of individual educators as expressed in books and periodicals. To consider such material as presenting an accurate picture of educational practice is like judging the accomplishments of a session of Congress by a selected group of bills introduced rather than by the sum total of legislation actually passed.

With regard to the American Council on Education itself, I have brought with me a supply of pamphlets that describe its objectives and operations and lists its membership. You will note that members of the Council are institutions and organizations, not persons. You will note further that the largest group of members is composed of colleges and universities. That fact explains why the major interest of the council

has traditionally been and is now in higher education, although it has a general concern with the whole range of education.

The Council is thoroughly democratic in organization. Its governing body is the membership, represented by duly appointed delegates at the annual meeting. The interim policy-making body is the executive committee, elected by vote of the membership. Member dues comprise the major source of income for central operations.

The Council has no power to regulate its members in any respect, nor has it ever attempted to exercise such power. Although the basic reason for this policy is that it represents a sound concept of service to education and to the public, a second reason is wholly practical. Since all authorities on higher education agree that its dominant characteristic is diversity, any effort toward regimentation from a central headquarters would mean disaster for the organization through the immediate loss of numerous members. The truth of this statement is clear from a mere listing of the affiliations of member institutions. One hundred and twenty-eight are affiliated with the Catholic Church, 61 with the Methodist Church, 24 with the Lutheran Church, 29 with the Baptist Church, 35 with the Presbyterian Church, and 60 with a dozen other denominations. Twenty-nine are supported by municipalities, 261 by 48 States, and 28 by other public and private agencies. A final 200 are privately supported, without special affiliation, and are administered by their individual boards of trustees. The constituent organization members of the Council have a similar diversity of support and orientation. The most challenging problem of the Council, under these circumstances, is to discover issues on which there is such agreement among Council members as to warrant joint consideration.

Let me say emphatically that the college curriculum is not one of the matters on which agreement has ever been reached among institutions of higher learning. The standard educational curriculum apparently discerned by this committee's director of research is sheer fantasy. The idea that such diverse institutions as the University of Notre Dame, Southern Methodist University, Yale, and the University of California have adopted or would ever adopt the same curriculum is simply inconceivable. This diversity, reflected in the freedom of choice which every institution exercises with respect to its curriculum, is, in fact, the distinctive genius of higher education in America.

Yet American institutions of higher learning, and in fact educational institutions at all levels, do have some ideas in common, and feel that those ideas should be vigorously expressed. That is why they have created and now support national organizations such as the American Council on Education. In serving the cause of education, these organizations do believe, with great sincerity, that they render a national service. Unless the members likewise believed it, there would be no such organization.

One of the central ideas that the American Council on Education is authorized and directed by its members to express is that the independence of colleges and universities should be maintained at all costs and against all agencies, including the Federal Government, that might attempt to dominate them. The basic reason is that they are opposed in principle and in practice to indoctrination. Although they approach their goals in many and varied ways, they share the purpose of preparing students to think for themselves and to continue the habit of study to the end that they may be well informed and effective citizens. The distinctive product of higher education in the United States is not a person taught to embrace certain prejudices but a person trained to make intelligent decisions on

issues as they arise. And this, in the expressed opinion of great American leaders, from Thomas Jefferson to Dwight D. Eisenhower, is a basic pro-American service.

The plain fact is that the schools and colleges of this country do not have the power to achieve mass political indoctrination even if they had the desire to do so. Political indoctrination of the great mass of American citizens is impossible for any institution or group of institutions so long as freedom of speech and the press continue to exist. Indoctrination requires a negative as well as a positive force to be effective, as both Hitler and Stalin well knew. Not only must a single doctrine be presented with persistence, but access to all other doctrines must be denied. The only agency in this country capable of mass political indoctrination is the Federal Government, and even the Government could not be successful by controlling the schools alone; it would also have to control the pulpit, the press, radio, television, and all other media of mass communication. Mass indoctrination is therefore a theoretical as well as a practical impossibility in America today. It simply does not exist. It cannot exist so long as any minority is free to raise its voice.

Let me summarize. The standard educational curriculum postulated by the committee's director of research is nonexistent. If the executive committee or staff of the American Council on Education had any desire to promote such a curriculum—which they do not—they could not do so, because the council's membership would literally dissolve if they did. If the council cannot promote such a curriculum itself, it certainly could not effectively participate in an alleged conspiracy among national educational organizations to reach the same objective. The alleged conspiracy, also, is a figment of imagination.

I am at a loss to understand what factual basis there could conceivably be for the allegations apparently made by the director of research against the American Council on Education. I shall be glad to answer questions, to the best of my ability and knowledge, about any of the council's operations. As I indicated at the outset, we welcome the opportunity to assist the committee in constructing a true picture of the part which educational institutions, educational organizations, and foundations interested in education have played in the development of American civilization.

EXTENSION OF TRADE AGREEMENTS ACT

The PRESIDENT pro tempore. Is there further morning business?

If not, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the Senator from Nevada [Mr. MALONE] is recognized for 2 hours.

Mr. MALONE. Mr. President, I am opposed to any extension of the Trade Agreements Act of 1934.

I am opposed to extension of the act because the Constitution of the United States, in article I, section 8, specifically provides that the Congress shall have power to lay and collect duties, imposts, and excises—we call them tariffs—and to regulate the commerce of the United States with foreign nations.

In the 1934 Trade Agreements Act, Congress yielded these responsibilities to the executive branch, which delegated them to the State Department, which today scatters and diffuses them among foreign nations in an international creation called the General Agreement on Tariffs and Trade, which has never been approved by Congress, and which considers itself, in fact, a creature of the United Nations.

GATT includes one Communist country, Czechoslovakia; several countries which appear to side with Russia in every controversy; and many countries which, in return for the many concessions which we, through GATT, have granted, today are enjoying brisk trade with Red China, Communist Russia, and Soviet satellites.

TRYGVE LIE EXPLAINS GATT

Mr. Trygve Lie, then Secretary General of the United Nations, stated at the conclusion of the first multilateral agreement, held in Geneva, Switzerland:

It is a demonstration of the kind of constructive work that the United Nations can do in the economic field.

Mr. Lie also stated:

The general agreement will replace the reciprocal trade agreements which the United States already has with a number of negotiating countries, namely Belgium-Luxembourg, Canada, Cuba, France, the Netherlands, and the United Kingdom.

He also stated:

This multilateral application of the schedules, as compared with separate bilateral tariff agreements, enables countries to obtain concessions on products of interest to them which they could not have obtained under bilateral agreements because they could not claim to be one of the main suppliers of the product concerned.

Mr. President, we have come a long way from the Constitution and a long way even from the purposes and intent of the original Trade Agreements Act of 1934.

TRADE AGREEMENTS ACT DISTORTED

Bilateral agreements entered into under the authority of that act have now been supplanted by multilateral arrangements made by an agency never approved by the Congress, and includes beneficiaries which, according to the former Secretary General of the United Nations, would have been ineligible for such favors under the principle of bilateral negotiation envisioned in the original Trade Agreements Act.

Mr. President, the Congressional Digest, issue of January 1954, summarized the history of GATT in an article titled "The GATT and Its Origin," giving proper significance to its connection with the rejected International Trade Organization. I ask unanimous consent that this article be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES FOREIGN TRADE POLICY—THE GATT AND ITS ORIGIN

The basic idea for a multilateral approach to the problem of world trade had been formulated by the time United Nations delegates began framing the U. N. charter at San Francisco in 1945.

The original plan was to establish, as a special agency of the U. N., what later became known as the International Trade Organization. The ITO, as its title suggests, was a vast and complicated arrangement designed to concern nearly all aspects of world trade. From November 1947 to March 1948, representatives from 56 of the United Nations met in Habana, Cuba, to give the ITO Charter a final drafting. The U. S. S. R. did not attend. This meeting was called the U. N. Conference on Trade and Employment. On March 23, 1948, the charter of the ITO was adopted and received the signatures of the United States and 52 other nations.

Space does not permit a complete account or even a detailed résumé of the ITO Charter. It is divided into 9 chapters, 106 articles, and 16 annexes. One of the annexes alone accounts for 62 interpretive notes. In all the charter runs some 30,000 words.

To become operative the charter was required to be approved by a majority of the signatory nations according to their respective constitutional systems. For the United States, this meant congressional approval.

The controversial charter was not well received in many places. It was never reported out of committee. Finally, in December 1950, the State Department announced that it would no longer seek congressional approval of the charter, but instead would seek appropriate legislative authority to make more effective United States participation in the General Agreement on Tariffs and Trade, or GATT, as it is popularly called.

This agreement was negotiated during the preparatory meetings which led to the Habana Charter for ITO. The general provisions of GATT were originally intended to be a temporary device for safeguarding the tariff concessions exchanged by the contracting parties. Ultimately they were to have been superseded by the ITO.

The multilateral agreement known as GATT now embraces the original agreement concluded by the original 23 contracting parties at Geneva in 1947; the Annecy protocol of 1949, concluded at Annecy, France; and the Torquay protocol of 1951, concluded at Torquay, England.

The general agreement consists of two parts: (1) the so-called general provisions, which are the numbered articles that set forth rules for the conduct of trade between the contracting parties, and (2) the schedules of tariff concessions resulting from the multilateral negotiations at Geneva, Annecy, and Torquay. Under the existing provisional application of the general provisions of the agreement, the contracting parties are not required to amend existing domestic legislation or to promulgate new legislation in order to adhere to the agreement. They are, however, required to refrain from enacting new legislation inconsistent with the agreement.

Under the general agreement, initial tariff negotiations are conducted bilaterally on a product-by-product basis at conferences sponsored by the contracting parties. Ordinarily, each participating country negotiates on the basis of the principal-supplier rule, negotiating on any given import commodity with the country that has been, or gives promise of becoming, the principal supplier of that commodity. The understandings reached in the bilateral negotiations are then combined to form the respective schedules of tariff concessions that are set forth in the general agreement.

There are at present 34 contracting parties to GATT. They are: Australia, Austria, Belgium, Brazil, Burma, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Federal Republic of Germany, Finland, France, Greece, Haiti, India, Indonesia, Italy, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Peru, Southern Rhodesia, Sweden, Turkey, Union

of South Africa, United Kingdom, the United States, and Uruguay, which acceded on December 16, 1953.

Liberia withdrew, June 13, 1953; Syria, August 6, 1951; Lebanon, February 25, 1951; and the Republic of China, May 5, 1950.

From the enactment of the Trade Agreements Act in 1934 to GATT, in 1947, the United States negotiated bilateral trade agreements with individual foreign countries. Twenty-nine such agreements were concluded. Of the 27 bilateral trade agreements that were in effect in 1947, 15 were terminated or suspended by reason of the foreign country's accession to GATT. Included in the 15 countries are those with which we have the largest volume of trade, consequently the major part of our trade agreements are now on a multilateral basis within GATT.

From the time the United States acceded to GATT to the present, it concluded only one bilateral trade agreement, a supplementary one with Venezuela in 1952. In addition to Venezuela, the United States has bilateral trade agreements with nine other countries who, like Venezuela, are not contracting parties to GATT. They are: Argentina, Ecuador, El Salvador, Guatemala, Honduras, Iceland, Iran, Paraguay, and Switzerland.

A question that arises in connection with GATT is its legality. One side contends that such a far-reaching executive agreement is not legally binding without congressional approval. Opponents to this position maintain that it is perfectly legal within the language of the Trade Agreements Act. There has been no court test of the issue, but taking cognizance of the doubt involved, Congress inserted the following provision in the 1951 and 1953 Extension Acts: "The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade."

Reading in part from the article which appeared in the Congressional Digest:

The original plan was to establish, as a special agency of the U. N., what later became known as the International Trade Organization. The ITO, as its title suggests, was a vast and complicated arrangement designed to concern nearly all aspects of world trade. From November 1947 to March 1948, representatives from 56 nations met in Habana, Cuba, to give the ITO Charter a final drafting. The U. S. S. R. did not attend. This meeting was called "The U. N. Conference on Trade and Employment." On March 23, 1948, the charter of the ITO was adopted and received the signatures of delegates from the United States and 52 other nations.

Quoting from another paragraph in the article:

This agreement—the so-called General Agreement on Tariffs and Trade—was negotiated during the preparatory meetings which led to the Habana Charter for ITO. The general provisions of GATT were originally intended to be a temporary device for safeguarding the tariff concessions exchanged by the contracting parties. Ultimately, they were to have been superseded by the ITO.

ITO SCHEME SPURNED BY CONGRESS

It will be remembered, Mr. President, that the ITO was never accepted by the Congress of the United States.

Quoting from another section of the article:

There are at present 34 contracting parties to GATT. They are: Australia, Austria, Belgium, Brazil, Burma, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, Dominican Republic, Federal Republic of Germany, Finland, France, Greece, Haiti, India, Indonesia, Italy, Luxembourg, Netherlands, New Zea-

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"The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade."

Mr. President, I intend to offer an amendment in the nature of a substitute for the pending bill which proposes to extend the Trade Agreements Act, and I shall advert to the amendment later in my address.

DEFENSE PROGRAM SUFFERS

I am opposed to extension of the Trade Agreements Act because I am convinced that it has retarded and weakened the Nation's defense potential.

Development of our own resources necessary to our survival in time of war has been stunted and paralyzed by favoritism shown foreign producers of critical and strategic materials, minerals, and fuels, during the administration of this act, and through agreements made purportedly under authority of this act.

Concessions granted foreign countries have reduced the productive capacity of vital American defense industries, and have atrophied worker and professional skills in those industries. I shall develop this subject later in my remarks.

I oppose extension of this act because it has produced the converse of the conditions it was expected to develop in foreign trade.

OTHER NATIONS RAISE BARRIERS AS WE LOWER TARIFFS

As we have progressively lowered tariffs to open our gates to the products of coolie, peon, and sweatshop foreign labor, other countries have erected new tariff barriers, imposed drastic licensing and quota systems to bar or restrict entries of American goods to their markets, and have penalized American products further through systems of multiple exchange controls which penalize American producers and exporters and discriminate against American labor and investment.

Mr. President, during the past 6 months I have made a casual survey of trade barriers erected against American products by foreign countries as officially reported by our Government.

I am sorry that I have not had time to cover the full year that has elapsed since the Trade Agreements Act was last extended, but the barriers erected against American products just during the past 6 months have been very ex-

tensive, and I shall discuss them later in my remarks.

PARITY FOR FARM PRODUCTS BUT NONE FOR INDUSTRY

I am opposed to extension of any act that denies to industry and to workingmen in industry the fair and reasonable safeguards that have been freely granted to agriculture, including safeguards to farm and dairy producers, which I have supported and now support.

I challenge ardent advocates of free trade to state publicly whether they advocate free trade for foreign farm products in the markets of the United States, and to state to the Nation's farmers their reasons for such advocacy.

This, of course, would demand repeal of our entire farm program and removal of all protection against the dumping of foreign cotton, wheat, butter, meats, and other products of agriculture, in the same manner that protection against products of foreign mines, forests, and factories has been removed.

I would oppose free trade for foreign agricultural products competing against American farm products just as I oppose free trade for the products of foreign industry competing against the products of American industry.

HOW DO FREE TRADERS STAND ON UNLIMITED FARM IMPORTS?

Carrying this thought one step further, do any of the proponents of the Randall recommendations for a 15-percent cut in tariffs on manufactured commodities advocate of 15-percent increase in wheat from the Argentine, butter from Denmark, cotton from India or the Nile, meat from Australia and New Zealand, peanuts from Africa, or flaxseed from Russia? If they do let them speak up. If they do not, how can they reconcile protective legislation for the farmer with subsidized cutthroat invasion of all industries?

The junior Senator from Nevada would oppose increases in competing farm imports, just as he opposes increases in competitive industrial imports such as are being sought through further tariff cuts. I expect to discuss this subject further later in my remarks.

I should like to say that no one I know advocates a high tariff or duty, or advocates a low tariff or duty. What he advocates, when he talks about the living standards of America, is a flexible import fee or tariff or duty as the Constitution of the United States calls it which roughly makes up the difference between the wages and the taxes and the other important factors of the production expense between producers here and those abroad.

TRADE ACT INCREASES UNEMPLOYMENT

I am opposed to extension of the Trade Agreements Act because it will increase unemployment, lower American living standards, force more shops, mills, and factories to close their doors and more mines to be abandoned as so many of them have been during recent years, and augment the number of distressed areas which have now reached a new postwar high.

I am opposed to extension of the Trade Agreements Act because it is against the national interest, and I will have more to say about the national interest further on in my remarks.

I am opposed to extension of the Trade Agreements Act because it makes this Nation subject to foreign blackmail aimed at further international concessions or cartels under threat of denial of export permits on materials we need including materials that, in the absence of protection and programs to stimulate production of our own resources, always will be critical.

I am opposed to extension of the Trade Agreements Act because it departs from all normal and sensible business practices in foreign trade and thus, in fact, restricts our foreign trade in the non-competitive foreign products our Nation needs.

Mr. President, the principle on which this trade agreements program has operated is like that of two barbers on the same block, trying to make a living by shaving each other.

THE FALLACY OF FORCED TRADE BETWEEN COMPETING NATIONS

Whenever we try to force trade between two areas like Europe and the United States, or two other highly developed processing or manufacturing areas, the result is that whatever one area produces and sells to the other reduces by that much what is produced by the other area. In that case, just as in the case of the two barbers, when one quits putting up the eating money, the partnership is dissolved.

If I were a haberdasher, Mr. President—and we once had one in the White House—I would be very careful about giving money to my competitor down the street. I would be even more careful, if I needed a fresh shirt, to take it from my stock instead of going to my competitor's shop to buy one, even though, thanks to the money I had given him, his shirt might be priced a little cheaper, as it would be cheaper in proportion to the money I had given him.

If I were an automobile worker in Detroit or South Bend, I would not buy a foreign car made by cheap foreign labor, nor, would I buy a car made by my toughest competitors, and I note that principle has been upheld in the case of Studebaker workers, who insisted on driving other automobiles. They were fired.

For 150 years, Mr. President, this Nation enjoyed what truly amounted to free trade and not trade internationally regimented.

The American people imported the foreign products they wished to buy at prices based on the laws of demand and supply.

We exported to foreign peoples the goods they wished to buy, and for which they had demand and not supply.

We gave neither billions nor box-tops to enable low-wage, low-tax foreign labor to undercut our own workers and consumers, and we gave no billions from the pockets of our taxpayers either to subsidize their industry and trade, or with

which to pay for the goods they acquired from us.

During this period we became the most prosperous, most productive and strongest Nation in the world, with high living standards and low taxes.

TRADE AGREEMENTS ACT DIMINISHES NATION'S SOVEREIGNTY

The so-called free traders—meaning, of course, regimented or socialized traders—ended that.

I am opposed to the extension of the Trade Agreements Act, which has been and is depleting our economy and diminishing our sovereignty as a free and independent nation.

A very interesting article appeared in a recent issue of the New York Journal American, written by Leslie Gould, its financial editor. The headline reads: "United States Neglects Big Weapon—Trade Ban—In War on Reds."

The article reads, in part:

With the Guatemalan situation, the futile Geneva Conference, and the defeats in Indochina, communism is still very much on the march.

The world situation is as critical as at any time since and just before Korea. It is the old story of indecision, division, and too little action too late.

The United States has two powerful weapons in its war with communism. The nuclear bombs and trade. Both of which the United States seems reluctant to use.

The reluctance as to the bombs may be understandable—although if it had used them and airpower on Red China when that Communist army attacked Korea there might be no Indochina crisis. There might be peace instead of this new threat of war spreading from Asia. That's something for the military to pass judgment on.

As to the other weapon—trade—failure to use that is not understandable.

The failure to use economic pressure after World War II allowed the Russian dictators to expand their power internally as well as externally. The result is that today Russia controls most of Asia, without losing a Russian, as well as a major part of Europe.

AIDED BY UNITED STATES DOLLARS

American dollars helped make this possible. The shocking and inexcusable part is the way American dollars have helped finance the Red conquest in Asia. This could have been shut off by the very simple expedient of the United States Treasury calling in all large American bills—notes from \$20 and up. It would also have trapped the mobsters, black-market operators of World War II, and the shortage period following, and the political crooks.

Two things are happening which are further building up Russia and her captive nations. One is trade with that bloc by the Western nations. The other is the purchase of Russian gold with that metal eventually coming to the United States, where the Treasury is paying \$35 an ounce.

Later in his article, Leslie Gould writes:

The pressure to further relax trade is on, particularly from the British, who will trade with anybody—they did with the Nazis right up to the hour of shooting. The French are even less reliable, in spite of the billions poured into that country since the war.

He concludes his article by saying:

This whole mistaken policy is sowing the seeds of world war III. We learn from history that we learn nothing from history.

I agree with what Mr. Leslie Gould says.

Mr. President, it should be fresh in the minds of many Members of the Senate that previous to World War II we furnished materials to Japan to build her battleships. We furnished iron, coal, and steel at different times. They went to Japan by the shipload. The veterans organizations in this country cried to high heaven about it, but all they got was the "horse laugh." But, Mr. President, it was not so funny when we sent our boys there to catch this iron and steel in their bare hands, coming back. And it is coming again, Mr. President, unless we reorganize our whole method of approach:

TRADE PLEDGES OF 1934 DISCARDED BY FREE TRADERS

Mr. President, the trade-agreements program we are being asked to continue bears scant resemblance to the program promised by the late President Roosevelt when he proposed powers in 1934 to enter into executive commercial agreements with foreign nations.

He said:

The exercise of the Authority which I propose must be carefully weighed in the light of the latest information so as to give assurance that no sound and important American interest will be injuriously disturbed.

We have traveled a long distance when we arrive at the point where it is seriously proposed by the State Department—and there is a bill to that effect which has been introduced by a very distinguished Member of this body—to make up in money and other materials what is lost by a community through the loss of an industry. The State Department went so far as to say they would train the men made idle because of imports to do other jobs. Just what they propose to do is not very clear at this time. The last report available to me showed 134 depressed labor areas in the United States, which are being added to almost every day.

EVIDENCE OF TRADE ACT INJURY TO AMERICAN INDUSTRY MOUNTAINOUS

Mr. President, I can cite scores of cases and volumes of documented evidence showing conclusively where sound and important American interests have been and are being seriously disturbed by the exercise of administrative powers under the Trade Agreements Act. Many not only are being disturbed; they are being ruined.

Files of the Tariff Commission, of various congressional committees, and, unless they were thrown in the waste basket, of the recent Randall Commission on Foreign Economic Policy are loaded with documentary evidence submitted by important American interests injured and disturbed by coddling concessions bestowed by the State Department, dedicated as it is to foreign favoritism, on their foreign competitors.

The late President Roosevelt also stated in his message to the 73d Congress:

The adjustment of our foreign-trade relations must rest on the premise of undertaking to benefit and not to injure such interests.

Whatever were President Roosevelt's intentions, no such premise has ever been followed by the State Department.

Agreements are entered into without regard to benefits, if any, that might accrue to sound and important American interests, and without regard to the injury such agreements inflict on sound and important American interests.

STATE DEPARTMENT DEDICATED TO AID FOREIGN INTERESTS

In scores of agreements, a number of which I shall cite later on in my remarks, it is obvious that what the State Department did consider and undertake to achieve was concessions that would benefit competitive foreign interests to the injury of American free enterprise.

President Roosevelt, in his message, assumed that agreements that might be entered into would be bilateral. The disposition of each country, he said, "to grant an improved place to American products" was to be carefully "sounded and considered." And, he added significantly, "upon the attitude of each must somewhat depend our future course of action."

This is exactly the reverse of "most-favored-nation" application, and of the multilateral give-aways of our State Department since the illegitimate birth of GATT, which I shall discuss later in my remarks.

President Roosevelt sought to assume the authority that the entire Congress, under article I, section 8 of the Constitution, had exercised for 140 years, pitting his intelligence against that of the 435 Representatives and 96 Senators in the Congress, on the basis that it was an emergency measure solely and that every interest would be protected. A New Deal Congress gave this authority to him. Once in his possession he tossed it to a foreign-minded State Department.

Let me cite one more example of how strong his pre-enactment assurances were, assurances which long since have been discarded. He said:

You and I know * * *. That it is important that the country possess within its borders a necessary diversity and balance to maintain a rounded national life, that it must sustain activities vital to national defense and that such interests cannot be sacrificed for passing advantage.

Mr. President, if that be true—and the junior Senator from Nevada has held to that belief throughout his life and during his service in this body—then the Trade Agreements Act of 1934 must not be extended.

It has destroyed necessary diversity and balance to our national life; it has grievously retarded activities vital to national defense, and it has sacrificed critical and strategic elements of our security, both military and economic, for the passing advantage, not of America, but for the passing advantage of some begging foreign nation.

TIME BEARS OUT 1934 MINORITY POSITION

Mr. President, the trade-agreements bill was considered by the House Committee on Ways and Means and both a majority report and minority views were submitted. The majority report declared expansion of exports a prerequisite to the restoration of prosperity.

The minority views stated that the contemplated increase in imports could

seriously injure certain domestic industries, as it has done.

The minority views also stated that the proposed method of negotiating generalized concessions gave no assurance that increased purchases by the United States from an agreement country would result in a corresponding increase in United States sales to that country, a statement which we know today to be all too true.

To maintain the fiction that many countries are matching us in purchases, we have loaned, advanced, or given away \$50 billion to foreign countries since the war so they could buy goods from us with our own money, taken from the pockets of our taxpayers.

REPUBLICANS CHALLENGED CONSTITUTIONALITY OF ACT

The minority views—and I wish to remind my colleagues at this time that it was a Republican minority—stated that the power requested by the Executive was excessively broad and would be unconstitutional.

The junior Senator from Nevada has consulted with attorneys who hold to that view today, but no court test of the constitutionality of the Trade Agreements Act of 1934 has ever been presented.

Republicans on the House Ways and Means Committee in 1934 also took another firm position which has never been put to a test. They stated that the proposed agreements would in fact be treaties, and as such would require approval by a two-thirds vote of the Senate. I think they are treaties on their face and that any administration that refuses to consider them as such is evading its constitutional responsibility to refer them to the Senate.

The Trade Agreements Act was passed. It included a most-favored-nation clause, thus going far beyond President Roosevelt's request and departing from his counsel.

The freetraders were in the saddle.

ACT NEVER RECIPROCAL

The junior Senator from Nevada assumes that his colleagues are all familiar with the act, or have ready access to it, and that they are aware of these facts:

First. Nowhere in the act is the word "reciprocal" used. There is nothing reciprocal about it and it was not intended to be reciprocal. No act which automatically extends all concessions to all nations—except in exceptional circumstances which must be specified—is or can be reciprocal. The nations benefiting from any agreement who were not a negotiating party promise nothing and are committed to nothing. Only the United States is committed to throw open its doors to their low-wage, low-tax products.

Second. Nothing in the act expressed any interest in consumers, nor did the act express any purpose to accomplish savings to consumers. The act has not resulted in savings to consumers. During the recent 1-year extension that ended June 12, 1954, living costs hit their highest peak in history, although our tariffs rank eighth lowest in the world; imports totaled \$10,777,426,331; and we

gave \$6,800,000,000 to foreign countries to help subsidize their foreign industries. If anyone thinks free trade lowers prices to consumers, let him consider the price of coffee today. There is no tariff on coffee and there never has been.

THE "DOLLAR GAP" HOAX

Third. Nothing in the act was provided to make it possible for its use with respect to servicing or repayment of any foreign debt to the United States, and nothing in the act expressed any purpose to grant authority to be used to close so-called dollar gaps, one of the greatest myths and hoaxes ever perpetrated on American producers and taxpayers. The State Department, under an assumption of authority not conferred in the act, has used it for such purposes and pretended purposes ever since World War II; moreover, they have made them their main objectives in their administration of the act. The international trade program, as envisioned by the State Department, is to benefit foreign trade at the expense of American industry and taxpayers. It has assumed powers not conferred in the act, abused the powers that were conferred, misused and misled the American people and the Congress.

Madam President (Mrs. BOWRING in the chair), the act has been used to remake the industrial map of the United States of America in the image of the State Department. The State Department has at its mercy any industry in the United States which is dependent on protection from the low-cost sweatshop labor areas of the world; and, in fact, it has made every effort to subsidize further imports into this country.

MANY FOREIGN EXPORTS SUBSIDIZED

It is well known that foreign nations, in many cases, subsidize, in many ways, their exports of certain materials which they desire to export, and to encourage any imports which they themselves choose. In other words, France will give her exporters a certain number of francs for the dollars, if they export raw materials; she will give them a larger number of francs per dollar if processed materials are exported. The same is true of the Argentine and many other nations.

Madam President, in reviewing the administration of the act I shall skip briefly through the prewar period and the war period.

During the first 3 years the act was in force bilateral agreements were made with 17 countries. Nevertheless report No. 160 of the United States Tariff Commission tells us, the worldwide depression persisted. It alibis thus:

Important factors other than the trade-agreements program were operating during that period to increase the difficulty—always a formidable one—of isolating and evaluating the effects of the program itself on United States import and export trade.

TRADE ACT HAS NEVER ACHIEVED PROFFESSED PURPOSE

In other words, the effects on exports, which the late President Roosevelt had professed as a major objective of the act, were too vague or insignificant to evaluate.

The act, having not achieved its emergency purpose during its 3-year emergency term, was extended.

Report No. 160, referred to above, tells us that "throughout 1937-40 the trade-agreements program continued to be advocated primarily as a means of promoting exports."

It adds:

Increasing emphasis was placed on the purpose of securing nondiscriminatory treatment for United States exports.

DISCRIMINATION AGAINST UNITED STATES PERSISTS

As I shall demonstrate later in my remarks, despite this emphasis discriminatory treatment for United States exports still prevails in not one, not two, but in many countries.

The period was not a normal one for operation of the act. The reports point out:

The period 1937-40 was one in which momentous changes occurred throughout the world. Affected by preparation for war and actual war abroad and by defense activities at home, the depression in the United States lifted, exports rose, surplus stocks dwindled, and unemployment declined.

No credit is given to the Trade Agreements Act, other than that 7 trade agreements were negotiated, 1 of them with the United Kingdom.

But, Madam President, I call attention to the fact that there were 9 million unemployed persons in the United States, and 17 million partially unemployed. World War II put an end to unemployment for the first time since the depression in 1929.

With the beginning of World War II the emergency was over; but again, in the midst of war, a New Deal Congress granted a new 3-year extension. As report No. 160 states:

During the 3 years 1940-43, United States foreign trade relations were dominated principally by military considerations * * * worldwide hostilities seriously disorganized the economic structure of many countries, both belligerent and neutral; commercial intercourse between enemy countries was stopped, and the foreign trade of many neutral nations came under the control of either or both of the belligerent groups.

Still there is no evidence of the act having either helped or harmed the Nation and its foreign trade.

Nor was there such evidence during the 2 years the act was further extended. As report No. 160 states:

Negotiation of trade agreements was * * * as might be expected under war conditions, virtually at a standstill.

One new agreement, with Iceland, was negotiated. This, under the favored-nations treatment, opened our markets to large imports of foreign fish and started the downtrend of the domestic fishing industry.

OLD PLEDGES UNKEPT, SO NEW PLEDGES MADE, ALSO WORTHLESS

In 1945 Congress again renewed the Trade Agreements Act, this time for 3 years, but only after, to quote report No. 160, "considerable attention was centered on the question of adequate safeguards for domestic producers in the event of further duty reductions, espe-

cially in view of the uncertainties of the postwar period."

This brings us to another great hoax perpetrated on the American people by free traders, the so-called escape clause.

To quote the report:

Spokesmen for the administration—

A previous administration, that is—assured congressional committees that the effort had always been made to avoid serious—

I emphasize the word "serious"—

injury to domestic industries and to afford adequate safeguards but that, going further, all future trade agreements under the act would contain a comprehensive escape clause similar to that which had been included in the trade agreement made with Mexico in 1942.

Madam President, we have now come a long way down the free-trade trail. Senators will recall that in Mr. Roosevelt's original proposal there was to be no injury at all to American industry, only benefits. The late President had stated, it will be recalled, that "no sound American interest will be injuriously disturbed."

THE SERIOUS-INJURY SUBTERFUGE

The administration turned its back on that premise. It conceded, in effect, that it has never sought to follow such a premise by contending it merely had been seeking to avoid serious injury to domestic industry.

It did not state at what point an injury to an industry becomes a serious injury in the eyes of our foreign-minded State Department, or what injury an industry must be expected to accept before it considers it to be serious. Some of us would assume that an industry in which scores of mills, mines, or factories have been forced to close, throwing thousands of working people out of work, has suffered serious injury. But not the State Department.

An indication of present and recent attitude toward serious injury is evidenced by action in the so-called escape-clause cases, which has exposed administration promises made to sugar-coat the bitter free-trade pill as a sham and a hoax, which has been used to delude distressed industries, investors, and unemployed workmen.

THE ESCAPE CLAUSE RECORD

During the years 1951-53 and including January of this year 33 applications had been made for relief under the escape clause.

I ask unanimous consent that the brief list of these cases, giving the commodity, application date, date completed, and action taken be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. BEALL in the chair). Is there objection?

There being no objection, the list was ordered to be printed in the RECORD, as follows:

1. Watches and parts (see No. 26), application February 13, 1951, completed June 14, 1952, Commission findings rejected.

2. Motorcycles and parts, May 21, 1951, completed June 16, 1952, no escape recommended.

3. Blue-mold cheese, June 11, 1951, completed June 12, 1952, no escape recommended.

4. Spring clothespins (see No. 32), August 22, 1951, completed August 21, 1952, no escape recommended.

5. Groundfish fillets, September 10, 1951, completed September 4, 1952, no escape recommended.

6. Garlic, October 8, 1951, completed June 6, 1952, Commission findings rejected.

7. Bicycles and parts, October 11, 1951, completed October 9, 1952, no escape recommended.

8. Cherries, candied, October 26, 1951, completed October 17, 1952, no escape recommended.

9. Bonito tunafish, November 28, 1951, completed November 26, 1952, no escape recommended.

10. Tobacco pipes and bowls, December 29, 1951, completed December 22, 1952, and August 19, 1953, Commission findings rejected.

11. Vitrified chinaware, February 11, 1952, completed February 6, 1953, no escape recommended.

12. Dried figs, March 17, 1952, August 16, 1952, no change since August 1952.

13. Woodscrews (see below), August 15, 1951, completed December 29, 1951, no escape recommended.

13a. Woodscrews, April 1, 1952, completed March 27, 1953, no escape recommended.

14. Estrogenic substances, April 8, 1952, completed April 2, 1953, no escape recommended.

15. Whiting chalk, April 10, 1952, completed April 9, 1953, no escape recommended.

16. Woodwind musical instruments, April 29, 1952, completed April 28, 1953, no escape recommended.

17. Cords and twines (cordage) July 7, 1952, completed January 14, 1953, escape relief request withdrawn.

18. Cotton carding machinery, August 12, 1952, completed July 29, 1953, no escape recommended.

19. Screen printed silk scarves, April 14, 1952, completed April 13, 1953, President asked for more data.

20. Rosaries, etc., September 15, 1952, completed August 21, 1953, no escape recommended.

21. Watch bracelets, September 24, 1952, completed August 20, 1953, no escape recommended.

22. Hand blown glassware, September 2, 1952, completed September 22, 1953, President asked for more data.

23. Mustard seed, February 9, 1953, completed December 10, 1953, no escape recommended.

24. Scissors and shears, March 19, 1953, hearing on June 29, 1953, pending.

25. Groundfish fillets, May 27, 1953, completed October 20, 1953, pending.

26. Watch movements and parts (see No. 1) September 1, 1953, completed February 11, 1954, pending.

27. Lead and zinc, September 14, 1953, completed November 3-5, 1953, pending.

28. Common pins, September 23, 1953, hearing March 1954, pending.

29. Safety pins, September 28, 1953, hearing March 1954, pending.

30. Fluorspar, October 20, 1953, November 23, 1953, escape relief request withdrawn.

31. Alsike clover seed, November 23, 1953, hearing February 16, 1954, pending.

32. Spring clothespins (see No. 4) January 7, 1954, hearing April 20, 1954, pending.

33. Ground chicory, January 19, 1954, completed April 27, 1954, pending.

ONLY HURT INDUSTRIES CLOSE DOWN

Mr. MALONE. Mr. President, this is the program, I may recall, which the late President Roosevelt said was to operate in such a way that no sound and important American interest would be injuriously disturbed.

Free-trade defenders, I assume, will contend that the motorcycle and bicycle industry of the United States, the cheese industry, tuna and groundfish industries, glassware and vitrified chinaware industries, cutlery industry, watch industry, and the many other industries I have listed, are neither sound nor important.

In the opinion of the junior Senator from Nevada, any industry is important which gives legitimate employment to American working men or women, provides wages which buy food, shelter, and clothing for American families, or pays taxes into the United States Treasury, even if they include taxes to be spent on building up foreign competition with domestic industries.

I may say at this point, Mr. President, that for 140 years the American people competed with themselves. Any person out of school, ready to work, or anyone wishing to change his job or business, needed only to look around, and regardless of whether the area he was interested in was desert, prairie, plain, or mountain, if he could determine that the business which he had in mind was feasible, considering such factors as transportation, raw materials, the cost of power and water, and other factors affecting the feasibility of the business, including the wages which he would have to pay, as well as taxes; and if he could arrange financing to build a factory or exploit a mine, or enter into whatever other business he had in mind, and if his judgment was good, he would be in business. Today, instead of having to compete with his own people throughout the United States, what does he have to do? To be sure that he may remain in business and compete with his own people, he must also take into consideration competition with 70 or 75 percent of the foreign nations.

THE FOREIGN-WAGE ADVANTAGE

Wages paid in foreign nations range from 15 to 50 or 75 cents an hour, and industries in those nations compete with our industries, Mr. President. Up to the time of reciprocal-trade agreements there had always been what is, in the Constitution of the United States called a duty, or as it is commonly referred to, a tariff, which was imposed on imported products in order to make up the difference between the wages and taxes in effect in this country and those in effect in competing countries abroad. Since we have changed our policy to one of free competition with all the nations of the world, the discouragement of private investment in business has been complete. The usual statement now made, when one is contemplating going into business is, "If you are to have a chance

for success, you must get the Government as a partner, and even then you cannot be sure."

INDUSTRY HAS NO ESCAPE WHILE ACT CONTINUES

What the action on escape clause cases has proven is that there is no escape so long as we continue the proforeign trade program envisioned in the administration of the Trade Agreements Act, and the only escape many of these industries can hope for is the continued erasure of the Trade Agreements Act from our statute books.

There is no escape for American industry under the act or extensions of the act, even with escape clauses written therein.

One cannot patch a tattered 20-year-old tire and make a new tire out of it. The only thing to do is to throw the tire away.

Mr. President, up to now we have dealt with bilateral agreements as envisioned by the late President Roosevelt, the "most favored nation" clause which a New Deal free-trade Congress used to expand the President's proposals, and the sham "escape clause" used to sugar-coat extensions of the act.

THE RECORD OF BILATERAL TRADE AGREEMENTS

Mr. President, I have before me a master list of all bilateral trade agreements the United States has concluded under the Trade Agreements Act of June 12, 1934, as amended and extended, and their status on April 1, 1953. I ask unanimous consent to have the list printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

MASTER LIST OF ALL BILATERAL TRADE AGREEMENTS THAT THE UNITED STATES HAS CONCLUDED UNDER THE TRADE AGREEMENTS ACT OF JUNE 12, 1934, AS AMENDED AND EXTENDED, AND THEIR STATUS ON APRIL 1, 1953

This statement would not be complete without reference to and list of bilateral trade agreements entered into under the Trade Agreements Act of June 12, 1934, as amended and extended, the effective date of such agreements, and their most recent status and relationship to GATT. The following tabulation presents such a list showing in each case date terminated, suspended or superseded or joined as a segment of GATT.

In addition to the 29 countries with which this country completed bilateral trade agreements prior to December 31, 1947, an additional list of 21 (mostly colonies or former parts of empires), have been invited during 1948, 1949, 1950, and 1951 to subscribe to the general agreement and to become members of GATT.

A. Miscellaneous countries outside of Canada, Latin America, and continental Europe

Country	Date effective	Date terminated, suspended, or superseded	Remarks
Finland, bilateral agreement.....	Nov. 2, 1936	Terminated May 24, 1950.....	Acceded to GATT May 25, 1950.
United Kingdom, bilateral agreement.....	Jan. 1, 1939	Suspended Jan. 1, 1948.....	Acceded to GATT Jan. 1, 1948.
Turkey, bilateral agreement.....	May 3, 1939	Terminated Aug. 4, 1952.....	Acceded to GATT Oct. 17, 1951.
Iceland, bilateral agreement.....	Nov. 19, 1943		
Iran, bilateral agreement.....	June 28, 1944		

(B) Bilateral agreements with Latin American countries (arranged in order of 1st agreement preceding GATT)

Country	Date effective	Date terminated, suspended, or superseded	Remarks
Cuba: ¹			
1st bilateral agreement.....	Sept. 3, 1934	Suspended Jan. 1, 1948.....	Acceded to GATT.
1st supplemental bilateral.....	Dec. 23, 1939		
2d supplemental bilateral.....	Jan. 5, 1942		
GATT.....	Jan. 1, 1948		
Exclusive bilateral, supplementing GATT.....	do		
Other Latin American:			
Haiti, bilateral agreement.....	June 3, 1935	Terminated Dec. 31, 1949.....	Acceded to GATT Jan. 1, 1950.
Brazil, bilateral agreement.....	Jan. 1, 1936	Suspended July 30, 1948.....	Acceded to GATT July 31, 1948.
Honduras, bilateral agreement.....	Mar. 2, 1936		
Colombia, bilateral agreement.....	May 20, 1936	Terminated Dec. 1, 1949.....	Terminated by joint agreement.
Guatemala, bilateral agreement.....	June 15, 1936		
Nicaragua, bilateral agreement.....	Oct. 1, 1936	Duty concessions and certain other provisions terminated Mar. 10, 1949. Entire agreement terminated May 27, 1950.	Do. Acceded to GATT May 28, 1950.
El Salvador, bilateral agreement.....	May 31, 1937		
Costa Rica, bilateral agreement.....	Aug. 2, 1937	Terminated June 1, 1951.....	Terminated by joint agreement.
Ecuador, bilateral agreement.....	Oct. 23, 1938		
Venezuela, bilateral agreement.....	Dec. 16, 1939		
Supplementary, bilateral agreement.....	Oct. 11, 1952		
Argentina, bilateral agreement.....	Nov. 15, 1951		
Peru, bilateral agreement.....	July 29, 1942	Terminated Oct. 7, 1951.....	Acceded to GATT Oct. 7, 1951.
Uruguay, bilateral agreement.....	Jan. 1, 1943		
Mexico, bilateral agreement.....	Jan. 30, 1943	Terminated Dec. 31, 1950.....	Terminated by joint agreement.
Paraguay, bilateral agreement.....	Apr. 9, 1947		

¹ Cuban trade agreement was only truly reciprocal agreement entered into. It was separately authorized in the trade agreements amendment, sec. 350.

(C) Agreements entered into with Canada and European countries (arranged in order of 1st agreement preceding GATT)

Country	Date effective	Date terminated, suspended, or superseded	Remarks
Belgium, bilateral agreement.....	May 1, 1935	Suspended Jan. 1, 1948.....	Acceded to GATT Jan. 1, 1948.
Luxembourg, bilateral agreement.....	do	do	Do.
Sweden, bilateral agreement.....	Aug. 5, 1935	Terminated June 30, 1950.....	Acceded to GATT Apr. 30, 1950.
Netherlands, bilateral agreement.....	Feb. 1, 1936	Suspended Jan. 1, 1936.....	Acceded to GATT Jan. 1, 1948.
Switzerland, bilateral agreement.....	Feb. 15, 1936		Modified, 1950.
France, bilateral agreement.....	June 15, 1936	Suspended Jan. 1, 1948.....	Acceded to GATT Jan. 1, 1948.
Czechoslovakia, bilateral agreement.....	Apr. 16, 1938	Proclamations making effective reduced rates of duty terminated by United States Apr. 22, 1939.	Occupation of parts of Czechoslovakia by Germany and Hungary made it possible for Czechoslovakia to fulfill its obligations under the agreement.
GATT.....	Apr. 20, 1948	All obligations under the General Agreement suspended by United States Sept. 29, 1951. Proclamation making reduced rates of duty effective terminated by United States Nov. 2, 1951.	Suspended pursuant to sec. 5, Trade Agreements Extension Act of 1951.
Canada:			
1st bilateral.....	Jan. 1, 1936	Superseded Jan. 1, 1939.....	Superseded by 2d bilateral agreement.
2d bilateral.....	Jan. 1, 1939		
Supplemental bilateral.....	Jan. 1, 1940	Suspended Jan. 1, 1948.....	Acceded to GATT Jan. 1, 1948.
Do.....	Dec. 20, 1940		
GATT.....	Jan. 1, 1948		

HOW OUR SOVEREIGNTY IN FOREIGN TRADE WAS FORFEITED

Mr. MALONE. Mr. President, during the period of bilateral trade agreements we were still functioning as an independent, sovereign Nation, in which an administration could be charged with its own errors or credited with its own accomplishments.

We were also, I might add, somewhat solvent despite our enormous war debt. Industry had not yet been hurt too drastically by the concessions to 27 countries made in wartime or during depression, affecting 69 percent of our total imports, free and dutiable, and 68 percent of our dutiable imports, with an average reduction in duties of 44 percent, or just 6 percent below the limit allowable up to that time under the Trade Agreements Act.

Their full effects will never be felt until we approach a relatively normal period of economy.

I might say, Mr. President, that there had been no normal period since the act was passed and there has never been a normal period since the act was passed. There will be no normal period unless we now allow the water to settle.

Since 1934 there have been the WPA, the PWA, two wars, and preparation for war. There has never been a normal period. However, we now have an opportunity to let the water settle. The act has expired, and nothing has happened. We can allow the act to remain expired until January 1955, when the President presumably will again deliver a state of the Union message to Congress. Until that time, or until such time as the President himself might change the agreements, all the trade agreements which have already been made will remain in full force and effect. They will remain in effect until the President shall serve notice on the country with which such a trade agreement has been made that there is to be a cancellation. Therefore, if the President served no such notice, there would be no change between now and next January, when a state of the Union message will be delivered to the Congress.

TRADE ACT EXTENSION WOULD ONLY DIVIDE MORE MARKETS WITH THE WORLD

I point out, Mr. President, that the people of this Nation have been told, and it has been indicated to them time and again, that serious detriment to our country would ensue if the act were allowed to expire. The act did expire on June 12, and there has been no change, and there will be no change. The President does not need the extension of the act, unless it is intended further to divide or share the business of the industries of this country with those of foreign countries; in other words, to further trade with countries with which there have already been trade agreements, or with which new trade agreements might be negotiated.

The reduction in our import of 44 percent was not enough to satisfy the trading nations hungry for the American market, or for Soviet spy manipulators, such as Harry Dexter White, eager to

destroy the American industrial economy.

THE LOADED GATT TO HOLD UP UNCLE SAM

Toward the end of the war, and I mean World War II, a scheme was developed to divide the American market with the world, while denying world markets to America, and the scheme is called GATT.

GATT is the abbreviation for an international creation which has never been approved by the Congress, and which, in fact, the Congress has indirectly repudiated, which calls itself the General Agreement on Tariffs and Trade. It holds its sessions in foreign tourist centers where scores of State Department and other departmental or agency officials, none of whom have ever been elected to any office or are well known to industry and labor, spend weeks and months basking in foreign resort delights, at American taxpayers' expense, conniving on new ways to sell out American industries, investors, and workingmen.

GATT, to all intents and purposes, has now superseded the trade-agreements program, and it was designed to supersede it, with considerable collusion between a previous administration and our British friends.

A collusive factor also, as the junior Senator from Nevada will explain later, is the International Monetary Fund, headed for several years by Harry Dexter White, the Soviet spy who previously had been Assistant Secretary of the Treasury. Elsewhere I shall insert a chronology of Mr. White's service with the Government at the taxpayers' expense, which included a brief hitch with the Tariff Commission, shortly after the Trade Agreements Act of 1934 was enacted.

WORLD TRADE SCHEME AN ACKNOWLEDGED BRITISH PRODUCTION

The plan or scheme to divide the American market with the world, without dividing the world market with America, had, however, even earlier origins.

It was first envisioned in the Atlantic Charter, which Prime Minister Winston Churchill relates was "in its first draft a British production cast in my own words." It contained a provision looking to equal trade and equal access by all nations to the raw materials of the world.

Mr. President, Prime Minister Churchill will soon visit Washington. I admire and esteem him as a great British patriot. His British production was wholly in the interests of his country, a trading nation. As President Roosevelt once said:

They [the British] live by importing goods from all parts of the world and by utilizing large overseas financial resources.

Mr. President, another great Prime Minister of England said, in 1858:

We—

England—

have no permanent friends or enemies. We have but permanent interests.

Mr. Churchill, many years later several other British Prime Ministers repeated, although in different words, that

statement of the policy of Great Britain, which is a proper policy, Mr. President. I admire them for it. Mr. Churchill was the latest to state it—although, of course, he did so in different words.

Late in World War II, President Roosevelt said to Mr. Churchill:

You should relinquish your colonies—

I believe India was specifically mentioned—

and keep us out of trouble.

Mr. Churchill replied:

Mr. President, I say to you—

Few remember what Mr. Roosevelt asked Mr. Churchill, but everyone remembers what Mr. Churchill replied; he said to President Roosevelt:

I did not become the King's first minister to liquidate the British Empire.

In other words, Mr. Churchill was saying in effect, "You can go with us, or there are other places you can go." And we went with the British.

Mr. President, I admire Mr. Churchill. Later in the week we shall have a visit from him.

PRAISE FOR PRIME MINISTER WINSTON CHURCHILL

If the United States of America should employ Mr. Churchill or another Englishman of his stature—an Englishman who understands foreign trade; and they have lived by it and by their wits for 100 years—and paid him a billion dollars a year, tax-free, the United States would still make a great deal of money. Mr. President, just imagine what an Englishman of Mr. Churchill's stature could do if he had a real law to work with. What Mr. Churchill has done has been phenomenal. He is without a peer.

So, Mr. President, it might have been good judgment to give Mr. Churchill or someone of his stature half of what he could have saved for us. I imagine that out of the \$50 billion our foreign aid has cost us since World War II, such a representative of the British Government could have saved us so much that he would have had for himself \$15 billion or \$20 billion, if we had made with him an arrangement whereby he would have for himself half of what he saved for us.

Mr. President, to return to the Atlantic Charter developed at the Roosevelt-Churchill conference off the coast of Newfoundland in August 1941, the Churchill draft prepared by Mr. Churchill as a statement to be made both by President Roosevelt and himself, stated with reference to trade:

Fourth, they—

The two nations—

will strive to bring about a fair and equitable distribution of essential produce, not only within their territorial boundaries, but between the nations of the world.

Mr. Churchill—or I think I should refer to him now by his proper title of Sir Winston—reports that the President "wished to insert the words, 'without discrimination and on equal terms.'"

In the compromise version the phrase "without discrimination," which the President wanted, was left out; and any-

one with knowledge of Britain's empire preferences, exchange manipulations, and her sterling bloc may readily conceive why it was left out. The phrase "equal terms," more general, and oft-times meaningless, was left in.

Section four, in its final draft, read:

They will endeavor, with due respect to their existing obligations—

Another loophole phrase—

to further the enjoyment by all peoples of access, on equal terms, to the trade and to the raw materials of the world which we needed for their economic prosperity.

Here, Mr. President, was the inception of a program to divide the raw materials of the world—which Britain, a processing nation, needs—and to give Britain access, on equal terms, to the trade and markets of the world, which Britain also knew she would sorely need at the termination of the war.

So, Mr. President, I may say that in 1945, when I was acting as special consultant to the Senate Committee on Military Affairs—at that time I was not a Member of the Senate; I had been a special consultant to that committee during World War II, and also to the Secretary of War, on strategic and critical metals and materials—I was asked to sit in at the San Francisco Conference, as an observer. The view I held at that time has not changed. At the end of the conference, someone asked me, "What do you think of the United Nations?"

ONE NATION, 48 BASKETS

I had seen our State Department and other agencies of our Government enter into the various agreements, and into the United Nations Charter. My reply to the question was, "49 nations were represented there; and 48 of them had a little basket on each arm, but only 1 nation had anything to put into the basket."

The lend-lease program, with which my distinguished colleague, the junior Senator from New York [Mr. LEHMAN] had so much to do, in an administrative capacity, contained this provision: I quote from Report No. 160 of the United States Tariff Commission:

In article 7 of each of the master lend-lease agreements executed between the United States and various other members of the United Nations the governments concerned agreed that in the final settlement for lend-lease aid, provision should be included for agreed action directed to the expansion of employment and of the exchange and consumption of goods, to the elimination of discriminatory treatment in international trade, to the reduction of tariffs and other trade barriers, and to the attainment of the other objectives of the Atlantic Charter.

NO PLACE TO GO BUT DOWN

With the highest standard of living in the world, the highest wages, and the highest taxes, there is nowhere to go but down if the standard of living of the United States is to be averaged with that of other nations through a division of markets. This Nation, after 175 years of work—many people working 15 hours a day or more in their businesses, with energy and intelligence—has made such progress that the only market in the

world today in which we can sell anything and get the money, unless we have previously given the buyer the money—is in the United States. So it is the market of the United States that is the target of all the other nations of the world. I invite anyone to question that statement.

Going back to the lend-lease agreements previously referred to, there was, of course, no United Nations then in being, and there would be none for another 4½ years. However, as article 7 states, there was a program for "agreed action" to divide America's wealth, jobs, and markets with the world which required a GATT and a United Nations to accomplish. One economic world, correlated, of course, to Britain's economic world, was thus agreed to.

Mr. President, the junior Senator from Nevada is a great admirer of Sir Winston's talents, which he no doubt will demonstrate with continued effect during his impending visit to the United States. He is a peerless British patriot. He is all for Britain as, being Briton, he should be. The only competition that Sir Winston will encounter, while he is a head of state, is a head of state as vigilant in the interests of his nation as Sir Winston is in the interests of the United Kingdom.

The pronouncements previously referred to were mere planning or political oratory, as it were. They had not yet been implemented by concrete action. That was to come. The free-trade scheme to divide American markets with the world while denying world markets to America required machinery, and machinery going far beyond the Reciprocal Trade Agreements Act of 1934, which we are now being asked to extend.

CHURCHILL POLICY CARRIED FORWARD IN U. N. CHARTER

The United Nations Charter, adopted in June 1945 at San Francisco, the conference in which Alger Hiss had such a stellar role, created an Economic and Social Council, a primary function of which is to promote international economic cooperation. We are a signatory to that affair.

The Food and Agriculture Organization, set up under the United Nations, and with headquarters in Rome, is pledged to cooperate in programs to maintain open channels of world trade. We are an active participant in that Organization.

The International Monetary Fund, of which Mr. Harry Dexter White became the Executive Director and presiding genius, was set up to assist member nations in reducing or avoiding monetary disturbances. It was not stated that American tax dollars were to be used in reducing or avoiding foreign monetary disturbances, but that is what has occurred. Uncle Sam has become the great world banker and philanthropist, and is going deeper and deeper into debt in the process.

Later in my remarks I shall relate the International Monetary Fund, of which Harry Dexter White was the Executive Director, to GATT and its creation.

Likewise set up during this same one-economic-world promotion period was

the International Bank for Reconstruction and Development. Its functions were to extend credits for the purpose of promoting rehabilitation of national economies and their orderly development.

THE ONE-WORLD TRADE GRAB SCHEME

All of these were steps toward the great crowning achievement of the one-economic worlders and free traders, the International Trade Organization.

I am informed that during the war years, when the State Department sheltered a coterie of both eminent free traders, and Soviet aides, committees were set up to consider ways and means of reestablishing world trade after the war on a multilateral basis. They envisioned the International Trade Organization and prepared a tentative draft of a charter for such an organization.

As in all State Department dealings of that day—and perhaps even now—the draft had to be cleared with England. Negotiations were conducted with representatives of the United Kingdom which resulted in what is called the Anglo-American Financial and Commercial Agreements.

BRITAIN SETS A \$3,750,000,000 FEE FOR CLEARING STATE DEPARTMENT DRAFT

Clearing any agreement with England is expensive, and this agreement cost the United States a fee of three billion seven hundred and fifty million, part of which Britain used to socialize its coal and other industries.

In addition to the \$3,750,000,000 Britain billed us for, the United States readily acquiesced to a program designed to promote a more rapid transition from controlled bilateral to free multilateral trading. The principles to be included in such a program were incorporated by the State Department in its proposals for the expansion of world trade and employment.

The State Department cleared this also with the British Government, which apparently had—and may still have—veto powers over State Department foreign policies and trade policies.

Britain approved the draft with the notation in full agreement on all important points in these proposals and accepts them as a basis for international discussions. Why not? They were the fruits of a policy enunciated by Sir Winston Churchill and naturally in Britain's interest.

The United States then, in February 1946, introduced a motion in the Economic and Social Council of the United Nations to hold an international conference on trade and employment. The council set up a committee to arrange this conference, inviting 20 countries, including Soviet Russia and Czechoslovakia, to be members of the committee.

ITO SUGGESTED CHARTER GETS LONDON O. K.

The committee met in London in October 1946, Russia's representatives stayed at home, but all the other 19 members were represented. The State Department went prepared and presented a suggested charter for an international trade organization of the United Nations, which was approved by the London Conference. Some finishing touches were

put on it in New York during January and February 1947, one of the rare instances in which such an international remuda has been held on United States soil.

ONE-WORLD ROAD SHOW SHIFTS TO HABANA, CUBA

On November 21, 1947, these one-economic-worlders shifted their base to Habana, Cuba, where they wintered in the Carribean sun until March 24, 1948.

In the interim between London and Habana, however, GATT had been born. Conferees in the first session of the conference on trade and employment moved on to Geneva, Switzerland, for a second session. The time was April to October, 1947, a favored time to visit Switzerland's cool lakes and dells just as the winter months are a favored time to sojourn in Habana.

There a general agreement on tariffs and trade was drawn up, most of its provisions similar to the proposed draft of the proposed charter for an international trade organization. Nineteen countries participated in initial negotiations and later were joined by four other nations. The State Department was, of course, an early bird participant. The State Department took the position that its participation was under the authority of the Trade Agreements Act.

This was the authority given also for participation in the winter huddle at Habana, and in other one-economic world or free trade to-do's that give State Department officials an opportunity to see the world and barter away American industry at the expense of American taxpayers.

Mr. President, I would be remiss if I did not at this time—and before we take up the final international instrument to destroy our sovereignty over commerce and disrupt our foreign trade—discuss a further scheme to divide our resources and our markets with the world without enjoying world markets and world resources on any reciprocal basis.

This further scheme, or perhaps I should term it another segment of the same scheme, was the international materials conference, which also was sired by the one-economic-world, free-trade clique in the State Department, and by the London conference I have referred to above.

THE SCHEME TO SOCIALIZED WORLD'S RAW MATERIALS

The International Materials Conference, which, like GATT, never received authorization from the Congress, had its origins and inspirations in the State Department during the war years when foreign policies were being formulated by second and third echelon career employees who used their time and taxpayers' money to concoct plans for a postwar world in which the United States was to undertake the economies of all other nations at the expense of our own national wealth and interest.

These planners included Alger Hiss in the State Department, Harry Dexter White, and Frank Coe in the Treasury Department, and many others whose motives since have been exposed.

The International Materials Conference was established in December, 1950,

without reference to the Congress, one of the many schemes to supersede bilateral trade agreements through a system of international socialistic multilateral economic controls which would put our own resources and wealth on the auction block to be knocked down, not to the highest, but to the lowest foreign bidder.

The British were, of course, very active in this scheme, as it was Sir Winston Churchill, you will recall, who first proposed to pool the raw material resources of the world for the enjoyment of other countries and particularly Britain.

ONE-WORLD SCHEMES IDENTICAL IN PRINCIPLE, DIFFER ONLY IN NAMES

The principle of all these schemes was that the United States should give up its economic sovereignty and subject American workers to the risks of unemployment, but should permit Britain to retain her empire preference system and other discriminatory practices, widen her access to raw materials on a cut-rate basis, and enable her to undersell American producers in our own markets.

There is no doubt in the mind of the junior Senator from Nevada that the international materials conference was created as a subterfuge to carry out the policies of Britain as enunciated in August 1941 by Winston Churchill.

I may refer back to the international materials conference later in my remarks, but at this point I shall discuss the International Trade Organization, or ITO, which was to combine one-economic-world schemes into one super-socialistic communal corral in which each nation, including the United States, was to have only one vote. Commonwealth countries or Communist countries admitted would, of course, have been expected to vote as groups in their respective blocs, but the United States would have one vote.

Our diplomats and those of 54 other countries spent a sunny winter in Havana, agreed to the so-called Havana charter for an International Trade Organization, and returned home.

CONGRESS REFUSES ITO CHARTER BACKING, PRESIDENT WITHDRAWS IT

President Truman submitted the proposed charter to the Congress. A resolution was introduced to provide for United States membership and participation in ITO. Secretary of State Acheson plumped for adoption of the resolution. Hearings were held. The House Committee on Foreign Affairs refused to report favorably on the resolution. President Truman withdrew his request. Of all the nations represented at Havana only Liberia acceded to ITO. Formally ITO was dead, informally it was very much alive.

Mr. President, I should like to say at this point that in the testimony before the Senate Committee on Finance and the House Committee on Ways and Means, Mr. Acheson, then Secretary of State, and Mr. Willard Thorpe, his assistant, who is now at Princeton University, testified many times that it was impossible to separate the domestic economy from foreign policy.

That is true under the 1934 Trade Agreements Act, as extended, which is under discussion today.

Inasmuch as Congress has transferred to the Executive its constitutional responsibility of regulating foreign trade and fixing duties, imposts, and excises, which we call tariffs, and inasmuch as the State Department is the administrative agent of the executive department, it is impossible, just as Mr. Acheson and Mr. Thorpe testified, to separate the domestic economy from foreign policy.

Article 1, section 8 of the Constitution of the United States provides that the Congress set the duties, imposts, and excises regulating foreign trade and that it regulates the domestic economy.

Why does the Constitution of the United States allocate that duty in Congress, the legislative branch of our three-branch Government? Our Founding Fathers so provided simply because, as the debates at the time show, the responsibility of regulating the domestic economy was passed in the branch of the Government where every precinct in the United States is represented. On the floor of the Senate every precinct is represented by two Senators from each State. In the House every precinct is represented by 435 Representatives, elected on a population basis.

ONLY CONGRESS CAN PROPERLY SAFEGUARD DOMESTIC ECONOMY

When the domestic economy affecting any precinct or State is at stake in any part of the United States, there is a representative on the floor of the House and on the floor of the Senate who knows what it is all about and the problems and the factors.

When that responsibility is placed in the hands of the executive department, into the hands, specifically, of the Secretary of State, who does not represent anyone and who never ran for office from any State or precinct, then we can expect exactly what we are getting. In other words, the responsibility for our domestic economy has been placed by Congress in the executive department, in which the Constitution fixes the responsibility of regulating our foreign policy. That foreign policy is conducted by the State Department. Therefore, since we hand over the domestic economy to the State Department, our domestic economy has been in accordance with what the State Department believes to be the proper foreign policy, and the industries of this country are often traded, under the Trade Agreements Act, to further some international political policy.

ECONOMICS VERSUS FOREIGN POLITICS

Up until the 1934 Trade Agreements Act foreign trade had been regulated under the Tariff Commission, which is an agent of the Congress, on a basis of economics. That is to say, the Tariff Commission could determine the high cost or the low cost or the fair cost in the United States, and determine the fair cost in a foreign country for a like or similar article, and the difference would be recommended to be the proper tariff. The Tariff Commission is given no leeway by the Congress to determine political considerations. But with the

advent of the 1934 Trade Agreements Act the political factor was inserted. In other words, the State Department, as a part of the executive department, was then saddled with the responsibility of regulating the domestic economy, of regulating foreign trade, and of fixing duties, imposts, and excises, and since that time the State Department has taken into consideration political factors and has proceeded on the basis of what, in its judgment, might be the overall international good, based on political factors. The record is clear that the State Department has failed to get from foreign nations any favors in a political way. It is now beginning to reap the consequences.

Turning back now to the collapse of the super-one-world trade scheme, the ITO, and its withdrawal from consideration by the Congress.

The one-economic-worlders lost ITO but they still had GATT, the International Materials Conference, the International Monetary Fund, the International Bank for Reconstruction and Development, the so-called Economic and Social Council of the United Nations, a proforeign State Department, the International Food and Agriculture Organization, and other lesser agencies.

Soon they were to have the Economic Cooperation Administration, Mutual Security Agency, and Foreign Operations Administration, the last 3 actually the same giveout and sellout agency operating under 3 separate names; just as GATT and its sister groups are in reality another name for ITO, which was rejected by the Congress.

GATT NEVER BEFORE CONGRESS

Congress has never had an opportunity to accept or reject GATT and no GATT agreement or proposed agreement has ever been submitted to the Congress, as President Truman submitted to the Congress the proposed charter for ITO.

Mr. President, to show the relationship between these international organizations dedicated to socializing or communizing world trade, and so interlocked that when one or more are rejected its functions are carried on by other agencies, including agencies operating outside any sanction of the Congress, I shall quote several excerpts from the book, *Progress Report on the Operation of the General Agreement on Tariffs and Trade*, published in 1949.

American participation in the International Trade Organization, as I stated previously, was rejected by the Congress, but it has survived to all effects in GATT. The report referred to states, in fact, that the interim Commission for the ITO helped devise the methods and procedures for GATT. GATT, likewise, "assumed extensive obligations in their relations with one another which are similar to, and in fact closely modeled on, some of the obligations to which they will be committed when they accept the charter." The charter was never accepted by any of the nations which considered it at Habana, with the exception of Liberia, but GATT carries on.

I quote further:

The history of the agreement (GATT) is inseparable from that of the Habana charter for the International Trade Organization.

WHAT WAS ITO?

Mr. President, what was the International Trade Organization? It was simply a group of diplomats from 54 or 56 or 58 nations—they do not even agree themselves on how many countries were represented—who met at Habana to draw up plans to divide the trade and markets of the world. If this organization had been approved by the Congress, it could have met at least once a year, or perhaps many more times than once a year, to divide the estimated world consumption and the estimated world production for the following year among nations on the basis of what was later defined by the queer term "entitlement for consumption." It was never intended that anyone should know what that meant, and no one I have ever met does know what it means. But the intention was that the fifty-odd nations would meet and divide the United States markets and consumption among the nations of the world. That has never been denied, and it cannot be successfully denied. ITO is dead, but it is still being carried on under another name.

THE TWO-WAY APPROACH TO THE SAME GOAL

I quote again from the so-called progress report referred to above:

While the charter for the ITO was in the course of preparation the members of the preparatory committee, appointed by the Economic and Social Council of the United Nations, proceeded with negotiations with tariff reductions among themselves instead of waiting for the organization to come into existence.

The multilateral negotiation of tariff reductions was a new venture in international commercial relations. Attempts, all unsuccessful, had been made to reach agreement upon maximum tariff rates and upon percentage reductions of tariffs. This was the first endeavor, however, to bring about lower duties by multilateral negotiation and bargaining. The negotiations were conducted in Geneva, commencing in April 1947, concurrently with the second meeting of the drafting of the charter. All of the members of the preparatory committee, with the exception of the U. S. S. R., which took no part in the work, participated in the negotiations. * * *

The 23 governments which participated in the Geneva negotiations have become contracting parties. But they are applying the agreement only provisionally under an arrangement, the protocol of provisional application, which enabled them to bring the new tariff rates into effect, to establish most-favored-nation treatment among themselves, and to follow the rules laid down in the general provisions of the agreement.

Frequent reference will be made in this report to the sessions of the contracting parties. The agreement requires representatives of the contracting parties to meet from time to time for the purpose of giving effect to those provisions which require joint action.

In accordance with this arrangement three sessions of the contracting parties have been held:

The first session took place at Havana in March 1948, during the closing weeks of the United Nations Conference on Trade and Employment;

The second session was held at Geneva in August and September 1948; and

The third session was held at Annecy during April–August 1949, while the contracting parties were conducting their tariff negotiations with the acceding governments.

Mr. President, this is very enlightening. The action taken at the so-called first session was repudiated by the Congress through its refusal to participate in the International Trade Organization the first session had set up.

STATE DEPARTMENT PREPARING NOW FOR NINTH GIVEAWAY GATT SESSION

The sessions go on and on. The Department of State now is busily engaged in preparations for participation in the ninth session, scheduled tentatively for October.

We learn also in this report previously referred to that—

At London and Geneva the members of the preparatory committee—and at Havana the representatives at the United Nations Conference on Trade and Employment—consulted closely with officials of the International Monetary Fund on all provisions of the ITO Charter relating to currency and the regulation of trade by quantity of value.

Mr. President, the Executive Director of the Monetary Fund during this period was the late Harry Dexter White, who has been described as a Soviet spy.

To resume quoting from the report:

The interdependence of the two organizations was never doubted, although each would have its own sphere of interest: The fund being concerned with controls bearing upon the means of payment, and the ITO with restrictions imposed upon the quantities of goods that might be imported. Accordingly, the charter provides that the two organizations will work closely together. It takes care to avoid a confusion of functions and a conflict of authority. On all matters affecting monetary reserves, balance of payments, and foreign exchange arrangements, the ITO will be required to consult with the fund and to accept the fund's findings of statistical and other facts.

"Similar provisions are included in the provisional part of the general agreement," that is, GATT.

GATT, the report tells us, can only operate subject to existing legislation. Then it adds this surprising statement:

The amendment of any such legislation which offends against the principles upon which the ITO will be founded cannot be enjoined until the Havana Charter is ratified.

Mr. President, this is a long way from the program proposed in 1934, and a long way from any Trade Agreements Act ever passed by the Congress.

GATT GOES INTO OPERATION

We now come to the GATT session held in Geneva, Switzerland, in 1947, at which the United States participated with many other nations in drawing up what is called the General Agreement on Tariffs and Trade. President Truman, on January 1, proclaimed the United States bound provisionally by the agreement.

In the agreement the United States made concessions to 22 countries, with some of which we already had bilateral

agreements such as were contemplated under the the Trade Agreements Act of 1934.

Concessions granted covered 70.4 percent of the total dutiable imports into the United States in 1939, which is used as a base year in the reports. Articles on which duties were reduced for the first time accounted for 17.9 percent; articles on which previously reduced rates were further reduced for 35.7 percent, and articles on which other concessions were granted 16.8 percent.

UNITED STATES GRANTS REAL CONCESSIONS; FOREIGN NATIONS PHANTOM CONCESSIONS

Now we come to a very significant fact as reported by the United States Tariff Commission:

The concessions granted by the United States in trade agreements consist almost entirely of tariff concessions (including reductions in duty, bindings of duty, and bindings of duty-free status) specifically listed in the schedules of the various agreements. This fact is due largely to two features of the trade policies of the United States.

The tariff has always been the principal means used by the United States to regulate its import trade, and for many years this country has observed the most-favored-nation principle by according to all countries without any discrimination a single rate of import duty on each tariff classification. It has made little use, compared with many other countries, of quotas and other non-tariff trade restrictions and no use at all of exchange controls for the purchase of regulating imports.

Now let us see what the report has to say about the concessions obtained by the United States for all its generosity in cutting tariffs on imports from GATT countries.

Again I quote from the report:

The trade-agreement concessions obtained by the United States from foreign countries have consisted to a considerable extent of concessions other than reductions of duty and bindings of duty or of duty-free States.

In the schedules of some agreements foreign countries have granted to the United States, on certain items, bindings of, or reductions in, margins of tariff preferences, without commitments as to rates. In other instances they have agreed to increase to a specific minimum, or at least not to reduce, the quotas assigned to imports from the United States.

Mr. President, is not that just dandy? In return for reducing tariffs on imports from some countries they agree not to reduce the quotas assigned to imports from the United States.

FOREIGN CONTROL AND DISCRIMINATIONS AGAINST UNITED STATES CONTINUED

We are told in this connection:

Because of the difficulties with their dollar balances of payments, it appears that, at least for the next few years, many trade agreement countries will continue to use quantitative import controls and to apply them so as to discriminate against imports from the United States. So long as these difficulties continue, discrimination against United States exports as to goods either obtainable from other countries or regarded by the importing country as nonessential will likewise continue, and dollar exchange available to pay for imports will be used mainly to purchase United States goods not obtainable elsewhere and regarded as essential. For some time to come, therefore, the provision against the discriminatory use of quotas will remain largely inoperative, and

in consequence the value to United States exporters of many of the scheduled concessions will remain problematical. Moreover, quantitative restrictions imposed for balance-of-payments reasons may often afford additional protection to the industries of the countries imposing them and encourage the development of new industries.

NATIONS CREATE OWN DOLLAR "GAPS" BY MANIPULATING EXCHANGE

I might say at this point that the dollar shortage and dollar exchange were held out to the United States Congress to be an important factor. There are two reasons for a dollar shortage, which affects all of us. A dollar shortage occurs when we spend more each year than we earn. This applies specifically to the foreign nations when they set a price in dollars on their currency above the market price on the world exchange. Then, of course, no one would pay that price except a misguided Congress.

The report referred to also advises:

So long as countries suffer from balance-of-payment difficulties they are largely exempt from the general prohibition * * * against the use of quantitative restrictions and against discrimination among countries in the application of such restrictions.

Mr. President, the only thing that stands between a free exchange of currencies is the fixed price which is placed by foreign countries on currencies in terms of the dollar. Whenever foreign countries cease putting on their currency a price which is higher than the market price, then there will be free exchange.

Anyone would just as soon have in his pocket a British pound, an Australian pound, or an Indian pound, if he could pay for it only the price at which he could purchase it at his bank in the morning. But when the price is above that amount, whether in francs or in pesos, then, of course, no one will take it.

THE "COUGH UP OR ELSE" FOREIGN TRADE PROGRAM

"Balance of payment difficulties" is simply a nice way of saying that we must put up the difference between what the foreign country says its money is worth and what it is actually worth, whether it be a franc, a peso, or anything else. Otherwise, the foreign countries are saying they will discriminate against the trade from this Nation.

We talk about foreign trade, and say that we give foreign countries our money in order to encourage our foreign trade. Yet we give them free trade, so that Japan's 15-cent-an-hour labor and England's 43-cent-an-hour labor can compete with American labor which is paid \$1.80 or \$2 an hour. Whenever it is said that foreign nations wish to compete on this basis, it simply means—and this is what we have been heading for, as I have demonstrated many times—a destruction of the workingmen and investors of the United States of America as we know it. It means the destruction of the workingmen and the elimination of private business, as we know them, in the United States of America.

(At this point, by unanimous consent, Mr. MALONE yielded to Mrs. BOWRING to address the Senate on the price-support program, with the agreement that he would resume his remarks following

those of Mrs. BOWRING and that her remarks would be printed at the conclusion of his speech.)

Mr. MALONE. Mr. President, all that any country has to do to continue doing whatever it pleases with relation to imports from the United States is to juggle its exchange—as many of them are doing—to make it appear that it still has balance-of-payment difficulties.

I may say, Mr. President, the way the program is handled, any nation finds it very easy to have balance-of-payment difficulties.

MANY UNITED STATES CONCESSIONS AT GENEVA LISTED

To analyze further the concessions made by the United States at Geneva we find that there were concessions made on 78 percent of total imports, using the 1939 base.

Concessions were made on many commodities, including whiskey, woolen and worsteds, countable cotton cloths, linen goods, earthenware and chinaware, nickel, aluminum, Christmas trees, blueberries, gelatine, glass, sparkling wines, brandy, leather gloves, perfumes and laces, wool, on which a 25-percent reduction in duty was made, tungsten, antimony, handkerchiefs, embroideries, hat braids, bristles, glassware, jewelry, imitation precious stones, footwear, bur-lap, mica, sheep and lamb skins, carpet wool, sardines in oil, and wood pulp.

Mr. President, it would require many pages to list the nature and amount of concessions on each item, but in general it may be stated that rates of duty were bound on 20 percent of our total dutiable imports, were reduced less than 25 percent on one-tenth of such imports, were reduced 25 to 35 percent on slightly more than a fourth the imports, and from 35 to 50 percent on 43 percent of all dutiable imports.

CONCESSIONS PARALLEL DISTRESSED UNITED STATES INDUSTRIES

One has only to scan the list of foreign products on which tariff reductions were made at Geneva, and the list of industries that are in distress in the United States today to note a parallel.

Our diplomats met again in 1949, conferring on further concessions at Gatt sessions held in Annecy, France, from April to August 1948, an especially appropriate season to spend in France.

Concessions were granted by the United States to 10 more countries at Annecy.

Among the foreign commodities on which duties were reduced were silverware, heavy, noncarburetor internal-combustion engines, butter, blue-mold cheese, silver jewelry, sponges, olive oil, olives, canned tomatoes and tomato sauce, accordions, vermou, cotton bedspreads, wool felt hat bodies, lemon oil, various hemp products, plywood or Red pine or alder, insulating board, wall-board, a large number of iron and steel products, including ingots, blooms, slabs, billets, bars, sheets, plates, wire rods, wire, strips, bearings, tubes, sanitary ware, saws, penknives, scissors and shears, surgical instruments, pliers, hand tools, files and certain types of machines; meat extracts, canned beef, cattle hides, and mercury compounds. All of these

concessions involved tariff reductions, and in the interest of time and space many items have been omitted.

A number of countries bound duties on a number of American products and in a few instances duties were reduced, but what these may mean in foreign trade cannot be computed.

THE FACTS ABOUT FOREIGN RESTRICTIONS

They cannot be computed for the reason sets forth in Report No. 172 of the United States Tariff Commission which states as follows:

All countries with which the United States has trade agreements employ some or all of the various types of quantitative import restrictions and exchange-control measures permitted under the general agreement.

MORE CONCESSIONS BRING TIGHTER UNITED STATES CONTROLS

And here is a significant note.

I am continuing to quote from the same report:

In 1949 some countries continued their controls with little or no modification, the general tendency, however, was toward a tightening of controls. There were few important relaxations of such controls, particularly those imposed on imports from the United States and other so-called hard-currency countries.

Perhaps in the interest of clarity I should include another quotation from this same report. It is:

Use of exchange controls and quantitative import restrictions is permitted in the general agreement on tariffs and trade under certain conditions: of particular importance are the controls permitted for reasons of balance-of-payment difficulties, and for economic development.

Mr. President, I submit that covers the waterfront. Tariff concessions made by the United States are firm concessions. The value of our money is stable. There are no restrictions on industrial imports. Any amount of such commodities can be imported into the United States and the foreign producer will get dollars. A tariff reduction means money in the bank for any foreign industrial producer who can ship his goods here at a profit, and bigger profits for those who could ship goods here at a profit before the State Department gave him a tariff-reduction bonus.

TARIFF DECK STACKED AGAINST UNITED STATES

In contrast a bound tariff or even a reduced tariff by any foreign country is meaningless in terms of trade. They can manipulate their exchange tomorrow to wipe out the so-called tariff concession. They can deny import licenses or juggle quotas as Venezuela has been juggling quotas on American textiles, tires, butter, potatoes, and other American products. They can and they do manipulate money and restrictions so that any change in their tariff rate is completely meaningless.

When our diplomats play foreign trade at Geneva, Annecy, Torquay, or any other European resort city, they have to play against a stacked deck, but to sit in the game they also have to use Uncle Sam's blue chips, provided them by American workingmen and taxpayers.

GATT gives these foreign sharpers our diplomats' play against every out. The house rules are made completely in their

favor. The only concessions the United States can win are worthless checks, and the concessions they win from us mean hard cash.

We now come to the last big international trade game in which our diplomats sat in with representatives of 34 nations.

The State Department boasts of many concessions obtained at Torquay, but states, understandably in the light of exchange controls and import restrictions that "it is too early to estimate the amount of trade that will be benefited."

MORE UNITED STATES CONCESSIONS LISTED

Concessions granted by the United States to foreign countries at Torquay, and which are real and not paper concessions as previously explained by the junior Senator from Nevada in his remarks, included tariff reductions on imports of wool knit underwear, cobalt oxide, sheet and window glass, structural shapes of iron or steel, radio and television apparatus, edam and gouda cheese, wool mill waste, wool tops, wool carpets, rugs and mats, rayon staple fiber, plywood, acetic acid, ferromanganese, lead in ores, mattes and flue dust, zinc ores and concentrates, cheddar cheese, canned salmon, frozen blueberries, grapes, mustard seed, Canadian whisky, a wide range of chemicals, mixtures, compounds and salts, cabbage and cauliflower seed, levers lace machine products, silk and rayon bobbins, woodwind musical instruments, coal-tar intermediates, dental burs, drawing instruments and parts, certain clocks, clock movements and parts, printing machinery and parts; toys, mechanical and otherwise; cameras, art pottery, straw hats, Marsala wine, fish hooks, fish cakes and fish balls, bonito and yellowtail which are tuna-like fishes, certain raw cotton, bismuth, X-ray apparatus, tobacco machinery and parts, electrical calculating machines and parts, and cash registers and parts.

All of these concessions were in the form of tariff reductions.

Mr. President, I have endeavored to list here only commodities which are not only produced in foreign countries to which the State Department has given monetary concessions in the form of tariff cuts, but are produced also in quantity in the United States in American factories by American workingmen and women.

In other words the State Department has offered a bonus to these foreign countries to ship their competitive commodities into our market and take over American industries and jobs.

OUR MIGRATORY INDUSTRIES

We also encourage, Mr. President, our own businessmen and producers to go to the low-wage countries and gain a vested interest in their low-cost labor, a vested interest which those nations themselves have long had. Therefore, so long as we have virtually free trade, there is no incentive to raise the wages or standard of living in those areas, because the more such manufacturers and producers can receive for their products in this country the greater their profits. If the Congress would reassert the authority granted to it by the Constitution

of the United States, and, acting through the Tariff Commission, regulate the tariffs or duties, as the Constitution calls them, in accordance with the differential of the wage standard of living here and abroad and take the profit out of the sweatshop labor, it would not require a very long time to convince the foreign nations that so long as it is not profitable to hold down their wages, they could pay the difference into the United States Treasury when their goods landed in America. The incentive to hold down wages would be gone, and I believe that within a very short period of time there would be a rise in the wages and the standard of living abroad and thereby they could create markets in their own countries.

The junior Senator from Nevada contends that there is ample trade in the world today that can be exchanged without damage to American workingmen and investors, and without damage to foreign workingmen and investors. There are articles produced in South America, in Africa, and in some parts of Europe that are not grown or manufactured in quantity in the United States.

I think more of them would be bought in the United States if American workers were not being bumped from their jobs by imports of the products that American workers can and do make as well or better than any foreign wage-earner, however low his wage or however long the hours he puts in.

BILLIONS SPENT TO ENCOURAGE FOREIGN COMPETITION

There are many products manufactured in the United States that peoples in many parts of the world want and need and which they do not supply themselves. Billions of dollars of American taxpayers' money is being spent in these areas to create industries that will supply these needs, but until these foreign industries, subsidized by tax dollars, attain substantial production these areas offer substantial markets for our products.

The fact is that the vast majority of concessions offered by our State Department at these foreign trade bazaars, are on foreign products which are competitive against American goods produced by American workers.

The economy of America is traded off in bits and pieces at international clam-bakes never approved by the Congress, and in a way never authorized under the Trade Agreements Act.

GATT HAS POWER WITHOUT SUBSTANCE

GATT is not even an official agency. It is provisional only. It has no permanent home or staff. It is not a body, merely a self-assembled conglomeration of diplomatic busy-bodies who play at dictating the economy and trade of the world. No nation has to accept any of its decisions. No nation can call it to account because when it is not in session it does not exist.

It does not call itself an organization but a collection of contracting parties to the General Agreement on Tariffs and Trade.

The progress report on the operation of the General Agreement on Tariffs and Trade, which I cited earlier in my re-

marks, is specific on that point. The foreword by E. Wyndham White, Executive Secretary of the Interim Commission for the International Trade Organization, or ITO, which was repudiated by this Congress, states:

The contracting parties to the General Agreement on Tariffs and Trade are not an organization. They have no staff or equipment of their own.

Even their methods and procedures, he tells us, were borrowed from the ITO.

If the State Department considers itself a contracting party with or through GATT the Congress has never given it the authority to contract with or through GATT.

The State Department has never asked the Congress to authorize its deals with GATT, and has never sent to Congress any instrument that might be construed as a birth certificate. It cannot because GATT is illegitimate, and whether the State Department or Britain's Foreign Office is its father, its lineage is obscure.

GATT DEALS CLAIMED LEGALIZED BY TRADE AGREEMENTS ACT

The State Department says it has participated in GATT sessions under the authority of the Trade Agreements Act, which, as I read it, confers no such authority. There is little doubt, however, in the mind of the junior Senator from Nevada that if the Trade Agreements Act is extended the State Department will continue to send dozens of its employees to whatever foreign resort center the so-called contracting parties choose next to assemble in for a new go around of dividing America's markets among themselves, while denying America all of their markets that they choose through import restrictions, juggled currencies, and other trade barriers to American products.

Mr. President, I think this is dangerous not only to our economy but to our national security and to our production of strategic and critical metals, minerals, and materials in the United States without which we could not fight a war or maintain high-level peacetime economy. I am therefore submitting as an amendment to H. R. 9474, S. 2992, introduced by me in the Senate of the United States on February 23, 1954, to encourage and assist the production of strategic and critical metals, minerals, and materials in the United States, and for other purposes, and ask that it be printed in the RECORD at this point in my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That as used in this act the term "strategic and critical metals, minerals, and materials" means any metal or mineral ore or concentrate not fabricated into finished form, and any other material, which is determined to be strategic or critical under section 2 (a) of the Strategic and Critical Materials Stockpiling Act.

SEC. 2. It is declared to be the policy of the Congress to develop and promote the production of strategic and critical metals, minerals, and materials within the United States so that such metals, minerals, and materials will be available to the Nation in time of war and to relieve the United States from dependency upon foreign areas for such

strategic and critical metals, minerals, and materials, the transportation of which in time of war would be difficult or impossible. It is necessary and essential that a proper economic climate be created or exist to encourage the development and production of our strategic and critical metals, minerals, and materials. Such economic climate would enable the United States to maintain a going concern critical minerals and materials industry within the United States in time of peace which can supply the Nation with such strategic and critical metals, minerals, and materials in time of war. To create such favorable economic climate and to accomplish the other objectives of this act it will be necessary to reestablish a principle in the regulation of import duties on strategic and critical metals, minerals, and materials to provide for fair and reasonable competition between foreign producers and domestic producers.

SEC. 3. (a) There is hereby created a Strategic and Critical Minerals and Materials Authority, to be composed of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, the Secretary of the Treasury, and the Chairman of the United States Tariff Commission (hereinafter referred to as the Authority), which shall have the powers conferred by this act with respect to any strategic and critical metal, mineral, and material whenever the Authority certifies that such strategic and critical metal, mineral, or material requires relief as authorized herein.

(b) The Authority may, subject to the civil-service laws, appoint such employees as it deems necessary to carry out its functions under this act and shall fix their compensation in accordance with the Classification Act of 1949, as amended.

(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

SEC. 4. All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930, as amended, insofar as they relate to strategic and critical metals, minerals, and materials, are hereby transferred to, and shall be exercisable by the Authority, including but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

SEC. 5. (a) The Authority is authorized and directed from time to time, and subject to the limitations herein provided, to prescribe and establish import duties upon strategic and critical metals, minerals, or other materials, which will provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

(1) the lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

(2) any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

(3) the policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits;

(4) Increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each;

(5) the actual and potential future ration of volume and value of imports to volume and value of production, respectively;

(6) the probable extent and duration of changes in production costs and practices; and

(7) the degree to which normal cost relationships may be affected by grants, subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Authority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however,* That no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this Act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

(e) In order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided,* That any such order is first submitted to Congress by the Authority and is not disapproved, in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this act: *Provided, however,* That no such quantitative limit shall be imposed contrary to the provisions of any foreign trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

(i) For the purpose of this section—

(1) The term "domestic article" means an article wholly or in part the growth or product of the United States; and the term "foreign article" means an article wholly or in part the growth or product of a foreign country.

(2) The term "United States" includes the several States and Territories and the District of Columbia.

(3) The term "foreign country" means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions).

(4) The term "landed duty paid price" means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing consumer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry.

Mr. MALONE. Mr. President, I have noticed today that a very interesting bill has been introduced by the distinguished junior Senator from Massachusetts [Mr. KENNEDY].

The PRESIDING OFFICER. The 2 hours of the Senator from Nevada has expired.

Mr. GORE. Mr. President, on behalf of the minority leader, I desire to yield 1 hour to the distinguished and able junior Senator from Nevada, who has devoted such great study to this important problem.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. I thank the distinguished Senator from Tennessee.

The bill introduced by the Senator from Massachusetts [Mr. KENNEDY], which is S. 3650, reads, in part, as follows:

SEC. 6. Information and advice: Any business enterprise found to be eligible by the Board for assistance under this act may apply to appropriate departments and agencies of the Government for technical information, market research, or any other form of information and advice which might be of assistance in the development of more efficient methods of production and in the development of new lines of production. Similarly, any community or industrial development corporation found eligible for assistance under this act may apply to appropriate departments and agencies of the Government for such information and advice as will enable it to develop a more balanced and diversified economy.

I now move to section 8 of the bill, paragraph (a) (1), which reads as follows:

SEC. 8. Unemployment compensation: (a) (1) The Secretary of Labor (hereinafter referred to as the "Secretary") shall on behalf of the United States enter into an agreement with any State in which an enterprise, or community, with respect to which a certificate of eligibility has been issued under this act, is located, under which the State, as agent of the United States,

will make supplementary payments of compensation to unemployed individuals in the State as provided for in this section, and will otherwise cooperate with the Secretary and with other State agencies in making payments of compensation under this section.

The bill is very comprehensive. Under paragraph (a) (4), it provides, in part, as follows:

(4) In any case where an unemployed individual receiving supplementary compensation under this section is no longer entitled to payment of compensation under the unemployment compensation laws of the State solely by reason of the expiration of the period for which such compensation is payable under such laws, there shall be paid to such individual, out of amounts paid to such State by the United States for such purpose and without cost to such State, compensation in an amount equal to the rate of State unemployment compensation and any supplementary compensation under this section which he has receiving immediately prior to the time he was no longer entitled to receive such rate.

HELP FOR DISTRESSED AREAS AND INDUSTRIES NEEDED

Without discussing the bill further, it is sufficient to say that it is a bill which has been drafted apparently in accordance with the statement of the State Department that whenever the operations of agreements which have been made under the Trade Agreements Act result in unemployment or injury to industry in the United States, the industry so affected shall be compensated, and the workmen shall be compensated and trained for other work.

Since there are now 124 depressed labor market areas in the United States, it is time that some cognizance should be taken of the fact. If Congress is to continue the Trade Agreements Act and continue the free-trade policy, then certainly some compensation is due the affected areas and their workmen. However, that is not the kind of policy which builds up a country.

Mr. President, the distinguished senior Senator from South Dakota [Mr. MUNDT] has offered an amendment to the pending bill, H. R. 9474. I have joined with the Senator from South Dakota in offering the amendment, because if the 1934 Trade Agreements Act is to be extended, and the trade agreements are to be continued, naturally there must be some protection for the agricultural industry. The amendment provides for such compensation and adjustment.

A few moments ago I offered an amendment to the bill, H. R. 9474, and I shall discuss it in a moment.

First, I wish to call attention to a dispatch in the Washington Evening Star of yesterday, entitled "Japan Must 'Make a Living,' President Warns Editors." The President of the United States is exactly correct. The article, commenting on the President's speech, reads, in part, as follows:

It is true, he remarked, that you cannot keep any other country in the world free by money alone.

At another point the article reads:

He cited four examples of types of arguments which he said were brought to his attention consistently, each having some

element of truth, but none by itself advancing the Nation's welfare.

In this category General Eisenhower—

I prefer to call him President Eisenhower now—

listed assertions that—

1. The United States cannot be an Atlas and carry all other free countries on its own shoulders and so should stop so-called give-away foreign aid programs.

It is true, he remarked, that you cannot keep any other country in the world free by money alone.

2. America's allies should not be allowed to trade with the Reds.

Of course, it is true, the President said, that we should not provide our would-be destroyers with the means by which to destroy us.

3. This country should not "get involved" in southeast Asia.

He said it is true that the United States cannot be strong enough to defend every part of the world, and unless threatened nations are determined to remain free they will fall prey to Red domination.

4. The United States should not import goods from countries that have wages and living standards drastically lower than those prevailing here.

Of course, General Eisenhower said, this country must not open its gates to such a flood of low-price imports as to result in breadlines of unemployed here.

Mr. President, I shall direct my attention particularly to the second point:

America's allies should not be allowed to trade with the Reds.

I revert to my earlier discussion of an article in the New York Journal-American of yesterday, written by a special finance writer, in which he said that the United States has it in her hands, on two counts, to delay indefinitely any attack on the United States by Soviet Russia. The first is the atomic bomb. I would add, too, Mr. President, the ability to deliver the atomic bomb, which is in question just now. We should concentrate on the atomic bomb and the methods and means to deliver it.

The second point is the arming of the Reds.

FOREIGN AID BENEFICIARIES ENJOY BRISK TRADE WITH REDS

Mr. President, I have been in the Senate since 1947. Since 1948, I have, at intervals, submitted evidence, beginning 1948, that trade between the European nations, which were the first nations to receive Marshall plan aid, and Soviet Russia has never abated. It has never diminished. Those countries never had any idea of its being diminished.

In 1948 and 1949, I submitted a list of 96 trade agreements which were in effect between the 17 so-called Marshall plan countries and Russia. The countries which were receiving Marshall plan aid were selling to Russia everything necessary to fight a war, including tool steel, ball bearings, and engines. When the war began in China, that material found its way into China. We were arming our enemies so that they could fight the boys we sent to Korea.

We are still continuing to follow the same practice. The \$50 billion which the United States has paid in cash and materials since World War II for the benefit of Marshall plan aid has largely gone to build up European nations which

are now furnishing material to Russia and the Iron Curtain countries, and which have been doing so continuously since World War II.

We have heard that there is a cold war. I have heretofore today mentioned our good friend, Sir Winston Churchill. I am completely convinced that next to his love for Great Britain, Sir Winston loves America.

"COLD WAR" AND "IRON CURTAIN" EMPTY PHRASES

Now, where do we have a cold war? "Cold war" was a phrase invented by Mr. Churchill. But we have had no cold war, Mr. President. A cold war would be an economic war. We have had no economic war. We simply give money to European nations, who furnish it to Russia or her satellite nations on the first bounce. The European nations simply furnish to the Communist nations goods paid for with money we have given the European nations. They supply the so-called Iron Curtain countries, Russia and her satellite nations, with materials with which to wage war. Where did we get the idea of Iron Curtain countries? From the same source, Mr. Churchill, who is a very prolific coiner of phrases. Where is this Iron Curtain? Countries wishing to trade with so-called Iron Curtain nations, Russia and satellite nations, have no difficulty penetrating the Iron Curtain. So I would say there has been a very ragged Iron Curtain, and no cold war; we are the only ones who have retained the deception.

I shall now address myself to No. 4 in the article published in the Evening Star of yesterday, to which I previously referred:

The United States should not import goods from countries that have wages and living standards drastically lower than those prevailing here.

FOREIGN TRADE SHOULD BRING FAIR RETURN

No one of my acquaintance, or of whom I have knowledge, has ever said we should not import goods from other countries. We should, of course, have foreign trade. In an article appearing in an issue of Life magazine which is currently on the newsstands, it is stated very emphatically that certain Senators, including the junior Senator from Nevada, are against foreign trade.

The newer generation, the one which has grown up during the past 20 years, apparently believes that if one desires to get a quid pro quo for his money, he is against foreign trade. The junior Senator from Nevada, and all his acquaintances and all persons of whom he has knowledge and who discuss foreign trade in a sensible manner, are in favor of foreign trade on the basis of fair and reasonable competition. They are in favor of making effective the provision of the Constitution of the United States which imposes upon Congress the duty of levying tariffs, and of letting Congress do what the Constitution says it must do, namely, adjust duties, imposts, and excises, or tariffs or import fees—whatever one may wish to call them—on the basis of fair and reasonable competition. That means that the tariff or duty would represent the dif-

ference existing in wages, taxes, and other pertinent costs of doing business, considering efficiency, in this country as compared with other countries. It means that such tariffs should be adjusted continually on the basis of the difference in costs of production in this country and those in the chief competing nations.

TAKE PROFIT OUT OF SWEATSHOP LABOR

Does that sound as if the junior Senator from Nevada is against foreign trade, or does it appear from that statement that he thinks we should not trade with lower-standard-of-living nations? The junior Senator from Nevada is simply in favor of taking the profit out of sweatshop labor. Let foreign countries have equal access to the markets of the United States, but do not give them any advantage. Give the American producer and the American workingman equal access to his own market. That is an idea that does not prevail in foreign nations.

COMMENTS ON JAPAN MADE IN SEPTEMBER 1951 RECALLED

Mr. President, the title of the article which appeared in the Star was, "Japan Must Make a Living, the President Warns Editors." I now revert to the date of September 11, 1951, when the junior Senator from Nevada took the floor of the Senate, following some debate and addresses by distinguished Senators who had participated in the signing of the treaty between Japan and the United States of America just prior to that date. I should like to read excerpts from the address I made on September 11, 1951, which was an extemporaneous one:

Mr. President, the Japanese Peace Treaty just signed at San Francisco marked the final official slap at Nationalist China. The representatives of that great nation were not invited to sit in on the final treaty conference with Japan.

I read further:

The way has been paved for the recognition of Communist China by Japan, which will happen within a comparatively short time, unless the public realizes what the administration's long-range program really is and prevents such recognition.

I continue to read:

We have been able to postpone the recognition of Communist China by the United Nations by informing the people of the real plan of our own State Department to maneuver such recognition while giving the impression that they are opposed to it.

ACHESON WILL NOT USE VETO TO PREVENT RECOGNITION OF COMMUNIST CHINA

Mr. Acheson came back from his European trip early in 1950, and in an hour-long speech before a joint meeting of Congress told us nothing that we had not heard 50 times before, or that had not been previously stated by his henchmen, except, buried in one paragraph in the middle of his speech—leading up to it fast and getting away from it fast—he said that we would not use the veto to prevent recognition of Communist China by the United Nations. He has never changed the statement. He has never changed his attitude.

STATE DEPARTMENT POSITION ON RED CHINA VETO UNCHANGED

The junior Senator from Nevada said that on September 11, 1951, and as yet

the present Secretary of State has not taken a position different from that of the former Secretary of State. He has said we would be justified in using the veto. He has said we would not let them shoot their way into the United Nations. But he has not said we will use the veto to prevent it.

I read further from my September 11, 1951, address, which seems to be running particularly true so far:

We now have free trade with Japan. They are sending their sewing machines, Christmas cards, precision instruments, and 101 other things, which under normal conditions would disarrange our American economy through eliminating American workingmen's jobs and wiping out American investments. However, by continued emergencies, bringing in constantly increasing taxes and new money from the sale of bonds to the American people, we are able to keep our economy going. Eventually we must protect our own higher standard of living from that of the 7 to 15 cents per hour Japanese labor.

Then when we stop sending three-quarters of a billion dollars to Japan annually, they must trade with China. Japan must buy her raw materials and sell her manufactured articles in China.

The final downfall of Nationalist China was the result of the brutal State Department action in utterly ignoring the almost century-old friendship between China and us and the fact that China is probably one of the few nations whose interests are parallel with our own.

Quite probably we shall resume the peace negotiations at Kaesong, or some other place within a very short time, and there will be peace in Korea. Our representative will agree to confine our activities in Asia to a few miles beyond the 38th parallel as already outlined; then there will be no more interference with Russia's activities in consolidating her gains in Nationalist China and in Asia during the next 15 to 24 months.

That is exactly what is happening now. We are on the verge of seeing the next move by Japan, which will be trade with China, her natural trading ally. Regardless of who controls China, and our State Department at that time made sure who controlled her, there will be such trading between the two countries.

Mr. President, the amendment I am offering today to the bill to extend for 1 year the life of the Trade Agreements Act is the bill introduced by me on February 23, 1954.

PRO-AMERICAN RESOURCES AMENDMENT EXPLAINED

The first paragraph of my bill, which is offered as an amendment to the bill extending the life of the Trade Agreements Act, reads as follows:

That as used in this act the term "strategic and critical metals, minerals, and materials" means any metal or mineral ore or concentrate not fabricated into finished form, and any other material, which is determined to be strategic or critical under section 2 (a) of the Strategic and Critical Materials Stockpiling Act.

In that connection, Mr. President, I point out that there are approximately 75 such metals, minerals, and materials.

Furthermore, Mr. President, in section 5 (b) (2) of my bill, which now is submitted as an amendment to the pending bill, it is stated that—

The authority shall take into consideration, in so far as it finds it practicable—

• • • • •

(2) any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments—

In other words, the Authority would be allowed to take cognizance of the manipulation of foreign exchange for trade advantage.

The next paragraph reads as follows:

(3) the policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits.

Mr. President, that simply means to take cognizance of subsidized exports by foreign nations to the United States.

A little later in that subsection we find the following:

(7) The degree to which normal cost relationships may be affected by grants, subsidies (affected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

FAIR AND REASONABLE COMPETITION PRINCIPLE SAFEGUARDED

In other words, Mr. President, cognizance could be taken of any manipulation to defeat the application of the principle of providing for fair and reasonable competition between foreign producers and domestic producers.

Mr. President, after having described the bill and having read it, I desire to state that if the bill is accepted as an amendment to the pending measure, then in the case of any strategic or critical metal, mineral, or material that is necessary for the protection of the United States, the tariff or import fee or duty would be fixed by the Authority, in the manner described—in other words, on a basis of fair and reasonable competition, meaning that United States producers and workingmen in those industries would have equal access to the United States market, their own market, without either any advantage or any disadvantage.

TRADE AGREEMENTS VERSUS JOBS

Mr. President, we now take up the effects of the trade deals we have made with foreign countries on employment in the United States. The State Department is creating jobs for foreign workers and unemployment for American workers.

It is doing this through proforeign trade agreements enabling the products of peon, coolie, and sweatshop foreign labor to undercut products of American labor in our own markets.

The State Department is forcing thousands of Americans out of work, destroying the industries and jobs that are their source of livelihood, and turning these jobs over to low-wage, low-taxed foreign competitors.

It has wrecked the coal-mining industry, the zinc, lead, and other mining industries, is damaging the textile, chemical, glass, pottery, electrical goods and scores of other manufacturing industries and workingmen, and threatens every manufacturer and wage earner in the

United States whose product is now or may be subject to foreign competition.

The head of one of the leading manufacturing companies of this Nation, one of the companies which assisted in establishing the chemical industry in this country following World War I, has stated that unless something is done in the way of protection of the chemical industry, by maintaining a duty or tariff to make up the difference between wages, taxes, and cost of doing business in this country as compared with costs in the chief competitive nation, the chemical industry will move back on the Rhine. We shall automatically get rid of it. It will go back where it was before World War I. Some of us still remember the condition of the chemical industry in World War I. Some of us were in that war. The junior Senator from Nevada took a battery of field artillery to France. He knew very little about the chemical industry, but he did know that the people of this Nation were very much worried as to how to conduct a war without it.

UNITED STATES INDUSTRIES SACRIFICED FOR FOREIGN TRADE

The State Department is sacrificing American industry willfully, knowingly, and deliberately. It wishes to continue doing it, and it will continue if the Trade Agreements Act of 1934, giving the State Department power over every industrial job in America, is extended.

One year ago Congress extended the Trade Agreements Act to June 12, 1954. At the time Congress extended the act for 1 year there were 16 distressed major industrial areas in the United States and 18 distressed smaller areas, a total of 34 distressed areas. Today there are 51 distressed major areas and 73 distressed smaller areas, a total of 124.

The number of distressed major areas has more than tripled, and the number of distressed smaller areas has quadrupled during the year the State Department has been permitted to further wreck employment and prosperity in the United States through the Trade Agreements Act.

Today the Department of Agriculture is having to help feed hungry American citizens made jobless by the State Department. A specific example is cited in the Washington Daily News, issue of Wednesday, June 16, 1954, under the headline "Surplus Foods Are Godsend to the Unemployed Miners." A report from Norton, Va., stated:

A lot of surplus Government food is reaching eager and grateful consumers in this part of the country. The reason is they are unemployed—80 percent or more of them coal miners from an industry that is having its own private depression.

Mr. President, the coal industry is suffering depression, but it is not private. It is very public. Some three dozen coal-producing centers of the United States are now officially listed as distressed areas.

The miners know the reason for this depression, and their organizations have stated it in many public expressions. The operators know the reason for this depression and have stated it in many public expressions.

JOBS FOR FOREIGN OIL WORKERS; UNEMPLOYMENT FOR AMERICANS

The reason is that the State Department prefers a prosperous and rich foreign oil industry with jobs for Mideast, Far East and Venezuelan oil workers, to a healthy American coal industry employing American coal miners.

In 1952 the State Department rushed through a trade agreement with Venezuela cutting duties on residual fuel oils 50 and 75 percent.

Thus the State Department wilfully and knowingly opened the gates to unlimited imports of foreign fuels to flood out American workers from the mines and put them on skimpy rations shipped in by the Agriculture Department from its surplus stores, for which these jobless miners helped to pay when they had work.

STATE DEPARTMENT ENGAGED IN INDUSTRY-WRECKING AND UNION-BUSTING

Of course, the trade agreement with Venezuela is available under the most favored nation clause to other nations—meaning the Middle East and any other area.

I charge that in the 1952 agreement with Venezuela the State Department deliberately engaged in an official Government attempt at union busting, the union being the United Mine Workers; and at industry wrecking being the bituminous coal industry of 16 States.

The oil industry in the oil-producing States also has been substantially closed down. The last word which the junior Senator from Nevada had from the Governor of Texas was to the effect that production is now rationed to 17 days a month.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. MALONE. I yield.

Mr. DANIEL. I can inform the Senator that only last week the Railroad Commission of Texas cut the number of producing days to 16. So since the last word the Senator had from the governor, the working time has been reduced another day. Next month, during a 31-day month, production will be permitted on only 16 days.

IMPORTS CUT DOMESTIC OIL PRODUCTION

Mr. MALONE. I ask the distinguished Senator from Texas if he believes that to a considerable extent the allocation of 16 days is due to imports of petroleum.

Mr. DANIEL. The junior Senator from Texas believes that a considerable amount of the reduction is due to imports. Before a vote is reached on the pending bill the junior Senator from Texas will certainly try to see if some sympathetic understanding of the problem cannot be brought about among those who favor the 3-year extension. If I could be assured that here would be a study by the Congress of the problems which will arise in many domestic industries, and that we would not be getting rid of the entire problem by turning it over to the executive agencies, I would not be fearful of the proposed extension. I certainly wish to have some assurance to the effect that the Congress will not be getting rid of this

problem entirely, because it needs further study by the Congress.

MORE CONCESSIONS IN OFFING IF TRADE ACT IS EXTENDED

Mr. MALONE. I am very happy to have the advice and counsel of the distinguished Senator from Texas. From the beginning of his term he has been very helpful in the work of the Committee on Interior and Insular Affairs. I believe he is cognizant of the work that committee is now doing. The first report will be printed early next week, I hope. The committee was able to obtain a great deal of information with respect to the petroleum industry, the coal industry, and the gas industry in relation to various communities in the United States, and also as to the effect which imports have had on the production of oil and coal and the use of gas.

Under the pending bill, which would extend for 1 year the 1934 Trade Agreements Act, the State Department could make further concessions to other nations. It has announced that it fully intends to make certain further concessions.

PROTECTIVE LEGISLATION OFFERED

I am offering an amendment to the pending bill which would put all the strategic and critical materials—they are now properly known as critical materials, of which there are 75, including petroleum, which are necessary in the national defense, under an authority consisting of four Cabinet officers and the president of the Tariff Commission. They would be given the power to fix the duty or tariff on those commodities on the basis of fair and reasonable competition, taking into consideration all the problems that beset the industries, and in that way give the local producer in the last analysis an equal right to his own market.

In other words, there would be no advantage given to the foreign producer and no advantage to the domestic producer, as nearly as possible, and all would be placed on the basis of fair and reasonable competition.

If the amendment is adopted it will materially assist our Nation in the preparation for its defense and maintaining its materials for its defense, and in answering the problems that beset the petroleum industry and the coal industry.

Mr. President, as I stated a few moments ago the State Department not only can destroy any manufacturing or resource industry in the United States, using the Trade Agreements Act as a weapon; it can bust any union.

The Trade Agreements Act is the most effective union-busting device ever invented by friends of foreign labor or enemies of the American workingman and is being so used by soft-handed diplomats who never have had to lift a pick or shovel.

Such diplomats used it in 1952 when they made their giveaway pact with Venezuela.

The 1934 Trade Agreement Act, in fact, could be designated as a conspiracy to destroy the workingmen and investors of the United States of America.

Previous to the 1952 agreement with Venezuela the State Department had

engineered a trade agreement with Mexico, granting concessions as they always do which also, under the most-favored-nation clause, covered Venezuela, the Near East, and the Far East.

FAVORED-NATION CLAUSE INVITES WORLD COMPETITION

This agreement cut duties on foreign crude and residual oils from 21 cents per barrel to 10½ cents for all imports exceeding 5 percent of domestic production, and for imports not exceeding 5 percent of domestic output the rate was further reduced to a token fee of 5¼ cents per barrel.

Mexico canceled this agreement putting the tariff back to 21 cents and our State Department, ever mindful of jobs in foreign lands and foreign interests raced to Venezuela, conferred with representatives of that military dictatorship, and dropped tariffs to the 5¼-cents-per-barrel minimum on all the oil that Venezuela or other foreign countries, under the favored-nations clause, can send to us without limitation.

This is the straw that broke the back of the coal industry, just as other foreign trade pacts have broken the back of the lace, watch, hardboard, lead, motorcycle, sewing machine, tunafish, and scores of other industries employing American workers.

Mr. President, in this connection I should like to recall that in 1951 I stood on this floor debating the advisability of renewing the 1934 Trade Agreement Act. At that time we were able to cut the extension from 3 years to 2 years. Always previously the act had been renewed for 3 years. That is why it came up for renewal last year, when it was renewed for 1 year, and why it is now up for renewal again.

At that time the junior Senator from Nevada, speaking of Japanese sewing machines, had a sewing machine made in Japan placed on one corner of his desk and a sewing machine made in America on the opposite corner. It was impossible to tell them apart 15 feet away. Each was guaranteed to do the work of the other. One of them sold for \$21 wholesale and the other for \$72 wholesale.

There was a minor difference, however. In Japan the worker who produced the Japanese sewing machine received 12 cents an hour in wages, and in America the American worker who produced the American sewing machine received \$1.80 to \$2 an hour in wages. Today the sewing machine business in this country is on the way out. It has been materially injured, and no relief has been granted.

MINERS DRIVEN OFF JOBS BY FOREIGN OIL PUT ON FOOD RELIEF

To return to the trade pact with Venezuela, which has flooded this Nation with foreign oil, today some 200,000 coal miners are out of work and the Department of Agriculture is sending food to them to keep their families from going hungry.

A recent Washington news report stated that a carload of food had arrived in Wise County, Va., to be distributed by its public welfare director among 1,500 unemployed families, 80 percent or more of them families of coal miners.

The on-the-scene report stated that the car brought 30,000 pounds of surplus Cheddar cheese labeled "Donated by the United States Department of Agriculture."

At least when we donate food to our own people it is not labeled as a gift from England or Czechoslovakia or some other country. At least we get our own name on the donations.

RELIEF RATIONS FOR JOBLESS KENTUCKY COAL MINERS LISTED

A breakdown also was given in the news report of the foods being distributed to families or unemployed coal miners in Bell County, Ky., another distressed coal-mining area.

For each person per month, it was reported, there is 1 pound each of butter, beef, cheese, and navy beans, 8 ounces of shortening—in this case cottonseed oils, 3 pounds of potatoes for each child, and 12 pounds of potatoes for each adult.

Mr. President, the junior Senator from Nevada doubts that any Venezuelan oil worker, whose job has been made secure by our State Department, has to subsist on such short rations, unless it be potatoes.

Venezuela has a rigid quota on imports of potatoes from the United States, which works out to 13½ pounds per Venezuelan.

The pro-foreign-trade program of the State Department and the surplus-food program of the Department of Agriculture present a strange anomaly.

As the State Department creates more unemployment in the United States, as it is certain to do if the Trade Agreements Act of 1934 is extended, the Department of Agriculture will be able to relieve to some extent its \$6½ billion surplus of foods produced under its protective farm program.

This offers possibilities—I do not know whether the State Department has them in contemplation under its long-range planning—it offers possibilities of eliminating the farm surplus almost entirely.

HELP FOR JOBLESS NEEDED

In connection with the bills introduced by the distinguished Senator from Massachusetts [Mr. KENNEDY], and by the distinguished Senator from South Dakota [Mr. MUNDT], to help employment and to protect industries, something may yet be done, especially if the amendment offered by the junior Senator from Nevada with respect to strategic minerals and materials is adopted.

The State Department, through expansion of its pro-foreign-trade program—assuming the Trade Agreements Act is extended—can conceivably increase unemployment in the United States to a point where more millions would be dependent on surplus farm products for their bare subsistence.

In that event, toward which the State Department has made great progress, Mr. Benson's storage worries would be over. The drawback is that then there would be no one to pay the taxes to continue the support program.

Of course, in all the objectives to which the State Department program has been pointed for 25 years, the taxpayer is the least considered.

AMERICAN WAGE EARNER WORLD'S BEST MARKET

Mr. President the finest market in the world for any product, whether it be an agricultural or an industrial product, is an American citizen who is employed.

An American wage earner, enjoying the living standards of American wage earners, is a better market for either goods or services than foreign workers, earning one-third to one-twentieth an American wage.

When the State Department, through a trade deal, destroys an American industry and American jobs it destroys also American markets, the finest in the world, the market offered by employed American consumers with their desire to own good homes, good cars, good household conveniences and to give their sons and daughters good food, good health and good educations.

Mr. President, proponents of free trade contend that extension of the act is necessary to an expanding foreign trade and the national economy. That was their contention a year ago when the act was extended for 1 year or until June 12, 1954.

As the junior Senator from Nevada stated earlier in his remarks, at the time of the last extension there were 34 distressed areas in the United States and today there are 124 such areas.

During the past year we have not been engaged in a shooting war. We have enjoyed conditions more closely approximating peacetime than in any period during the past 15 years and at the same time have maintained high-level defense production. If ever the Trade Agreements Act was to bear out in any measure the promises held out by its advocates the past year was the time for it to do so.

By March of this year the number of distressed areas had increased from 34 to 80.

EIGHTY DISTRESSED AREAS MARCH 31; 124 AREAS TODAY

Mr. President, on March 31 of this year, the junior Senator from Nevada discussed the 80 distressed areas that then existed in the United States, the industries in those areas which were in distress, and gave information concerning the amount or value of competing imports from foreign countries causing the distress to American industries and communities.

I said at that time:

The United States has the resources, the ability, and the capital to maintain a strong, balanced economy, but that "over a period of two decades there has been developed five approaches in the effort to destroy the Nation's living standards, built up over a period of 175 years, and to average them with lower standards prevailing elsewhere in the world.

Each of these approaches was detailed in my remarks, including the economic approach, which was started in 1934 with the passage of the Trade Agreements Act.

I said that as a result of this act we have industries that are hurt, industries partially destroyed, industries half destroyed, and industries that are almost completely destroyed.

WE CREATE OWN DISTRESS AND UNEMPLOYMENT

In other words, Mr. President, I said that we have created and are creating our own depressed industries and distressed areas through diplomatic schemes and deals designed to fatten foreign competition against American goods and materials, whatever the cost of sacrifice to American industries, investors, workers, or communities.

Mr. President, the only protection to the foreign nations which depend upon us for support or protection is to be found in our maintaining our high living standards and our economic integrity. The very thing they promote is tearing us down to the point where we not only cannot protect them, but we cannot protect ourselves. Perhaps, Mr. President, it might be well to look at the hole card some time and see if that might not be the objective. We are never quite sure who is our most determined enemy, who is the most determined to destroy us. It could be that the military threat is not the worst threat.

I stated in my remarks on March 31, 1954, that recession can be relieved by a return to the constitutional American system under which the Congress levies duties or tariffs on the basis of fair and reasonable competition, adding:

The first obligation of this administration and the Congress is to the American economy, with stability for all its economic segments.

The number of distressed areas in March 1954 was 80.

The number of distressed areas at the end of May 1954 was 124.

Of the 80 distressed areas in March 1954, there were 34 which were termed major areas, and 46 which were designated smaller areas.

The number of distressed areas at the end of May 1954 has, as I stated before, increased to 124.

Of these, 51 are major areas; 73 smaller areas.

The junior Senator from Nevada, in his March 31, 1954, remarks, pointed out that an unemployed worker and his family, living in a smaller area, are as distressed as are an unemployed worker and his family in a major area and may have even greater difficulty in finding odd jobs or part-time employment.

DISTRESSED AREAS NOW CLASSIFIED

Distress does not depend on the size of the city or area.

So many distressed areas have been accumulating in recent months, as imports of competitive products continue to pour in, that the Bureau of Employment Security has now felt impelled to break down distressed areas into two categories.

Areas of substantial labor surplus, that is, unemployment, or with 6 to 12 percent of the normal working force jobless, are now listed as group 4-A areas.

Areas of very substantial labor surplus, or with more than 12 percent of the working force jobless, have been classified 4-B.

In other words, we now have both distressed areas and what I would call superdistressed areas.

We have seen superdistressed major areas and 31 superdistressed smaller areas.

Forty-four major areas and 42 smaller areas have only 6 to 12 percent of their workers unemployed and are 4-A.

Four-B major areas are Lawrence, Mass.; Providence, R. I.; Ponce, P. R.; Kenosha, Wis.; and Altoona, Johnstown, and Wilkes-Barre-Hazleton, Pa.

The first two are textile cities hurt by imports of more than \$4,500,000,000 worth of textiles from foreign countries in the past 4 years, and by the curbs and restrictions placed by foreign countries on entry of American textiles, such as have been imposed for the past 6 years by Venezuela.

Johnstown and Wilkes-Barre-Hazleton have suffered a drastic slump because imports of residual fuel oil from Venezuela, which raises barriers against many American products, have brought depression to Pennsylvania's coal industry.

Declines in coal mining have also contributed to distress in Altoona.

Kenosha's unemployment has been attributed largely to layoffs in the automobile industry at a time when Henry Ford II, Nash, and other motor manufacturers have expanded automobile manufacture in foreign countries.

In my remarks of March 31, 1954, Mr. President, I listed the distressed areas up to that time and the industries suffering unemployment; in the great majority of cases unemployment was caused by competing imports from foreign countries. The list can be referred to readily, and so the junior Senator from Nevada will not detail the information contained in it at this time.

He will, however, list the areas that have been added since that time, or which, previously in a general group IV classification, have now been demoted to group IV-B, meaning that more than 12 percent or more of their working force is jobless.

NEW AREAS LISTED

New group IV-A cities, communities, or areas are:

ILLINOIS

Aurora: Unemployment two-thirds higher than in January. Job declines due to defense contract terminations, high inventories, lack of orders. Most significant cutbacks in nonelectrical machinery, ordnance.

Mr. President, I digress for a moment at this point to comment that many distressed areas, particularly many of those newly distressed, have suffered severe cutbacks in defense contracts at a time when more than \$2 billion in contracts have been placed by our military in foreign nations to give jobs to foreign workmen at American taxpayers' expense; and at a time when Mr. Randall of the Randall report advocates still greater offshore procurement taking jobs from American workmen and giving them to foreigners, many of whom are members of the Communist-dominated unions.

I now continue with the list of new group IV-A areas in Illinois, Mr. Randall's home State:

Joliet: Employment downtrend underway since August, prolonged by recent cutbacks in defense chemicals and ordnance.

Peoria: Six months' downtrend in area's dominant nonelectrical machinery industry, smaller cutbacks in transportation and construction responsible for substantial labor surplus. Manufacturing employment one-sixth below, unemployment twice as great as year-ago level.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The Chair wishes to advise the Senator from Nevada that his time has expired.

Mr. BUSH. Mr. President, since the Senate will now begin to operate under the controlled time limitation in its debate on the bill, I ask unanimous consent—

Mr. MALONE. Mr. President, I wish to ask for the additional hour which I was promised from the other side of the aisle.

Mr. BUSH. I have no knowledge of an additional hour having been promised. The Senator from Nevada has just used 1 hour which had been yielded to him by the distinguished minority leader.

Mr. MALONE. There is 1 more hour due.

Mr. DANIEL. Mr. President, it is correct that the minority leader promised the distinguished Senator from Nevada 1 hour.

Mr. BUSH. Mr. President, I ask unanimous consent that I may be privileged to suggest the absence of a quorum, in order to signal to Senators who are not in the Chamber the fact that debate on the amendments will begin immediately after the quorum call.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BUSH. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUSH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Texas will state it.

Mr. JOHNSON of Texas. Under the unanimous-consent agreement, the minority leader was granted the control of 2 hours for the purpose of allotting time to Senators who are opposed to the bill. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. JOHNSON of Texas. How much of that time has been used?

The PRESIDING OFFICER. Sixty minutes has been used thus far.

Mr. JOHNSON of Texas. Are there 60 minutes remaining?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSON of Texas. I should like to inquire if there are any Members of the Senate who are opposed to the

bill who desire to have time allotted to them now?

Hearing no response, may I inquire if the Senator from Nevada desires an additional allotment of time?

Mr. MALONE. Yes; I desire additional time.

Mr. JOHNSON of Texas. I yield 45 minutes to the Senator from Nevada.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada for 45 minutes.

DISCUSSION OF NEW DISTRESSED AREAS RESUMED—INDIANA

Mr. MALONE. Evansville: Motor vehicle, aircraft parts layoffs reduce factory payrolls significantly since first of year.

Fort Wayne: Factory job losses (heaviest in transportation equipment, machinery) due to reduced defense, civilian orders lifts surplus to substantial levels.

The surplus here is of course a labor surplus. Farm surpluses, for example, are protected from foreign competition. The junior Senator from Nevada doubts that anyone in Government would even propose purchasing \$2 billion worth of wheat, cotton or other farm commodities in foreign lands under an off-shore procurement program, such as has been done with respect to industrial materials to be used by our military.

CROPS PROTECTED BUT NOT JOBS OR HUMANS
No protection is offered to surplus labor in America.

Corn is protected but not humans.

MASSACHUSETTS

Fall River: Closing of two cotton weaving mills, decline in rubber responsible for recent nonfarm employment drop. Fall River might contact free traders who right now are demanding opening our markets still further to foreign textiles.

MISSISSIPPI

Jackson: Significant decline in furniture-lumber payrolls. Lumber is another commodity being increasingly imported from low-wage foreign countries.

MISSOURI

St. Louis: Recent factory losses, heaviest in durable-goods lines, particularly in ordnance, primary metals, and autos, boost labor surplus to substantial levels. Unemployment has more than doubled during the past year.

Mr. President, during 1953 we exported \$6,400 million in foreign aid to foreign countries, which set a new post-war high.

We imported \$10,878 million in foreign products.

We export dollars and import competition and unemployment.

We export payrolls and import distressed cities and industries.

GROUP IV—A AREAS CONTINUED

To continue with our list of new group IV—A areas:

NEW YORK

Albany-Schenectady-Troy: Recent employment losses led by ordnance, railroad equipment, and electrical machinery. Textiles, paper also edge down. Unemployment up some 60 percent in past year.

Buffalo: Unemployment rises to more than double year ago level. Sharp factory losses have been centered in durable-goods lines, especially in primary metals, motor vehicles, and electrical machinery.

Utica-Rome: Layoffs in textiles, apparel, leather goods, nonelectrical machinery, primary and fabricated metals responsible for 60 percent unemployment increase in past year.

OHIO

Canton: Production cutbacks in steel, nonelectrical machinery as defense and civilian orders decline result in substantial labor surplus.

PENNSYLVANIA

Erie: Nonelectrical machinery leads general manufacturing decline as factory jobs drop one-eighth since March 1953.

Mr. President, some of our foreign friends, assisted by substantial sums in American aid, have been making great gains in the manufacture of nonelectrical machinery, and at some future time I may put in some of the information and data I have showing their advances.

Philadelphia: Over-the-year declines in manufacturing primarily responsible for substantial labor surplus. Transportation equipment, machinery, primary metals, textiles most affected.

Pittsburgh: Factory jobs drop to 10 percent below year-ago levels; steel cutbacks responsible for half of recent decline.

ONE HUNDRED MILLION DOLLARS FOR FOREIGN COAL-STEEL COMBINE; IDLENESS FOR AMERICAN COAL-STEEL WORKERS

Mr. President, our Government, through negotiations conducted by the State Department, recently advanced \$100,000,000 to the high authority of the European coal-steel community of Western Europe with headquarters in Luxembourg, to expand production in those foreign industries, construct new housing, and assist any workers who may become "redundant" or in other words unemployed.

We know of no such assistance to any of the distressed steel or coal communities of the United States, or to our own jobless miners and steel workers.

Reading Increased labor surplus traceable to 10-percent factory drop over past year. Primary metals, apparel, food, transportation equipment show sharpest recent losses. Continued decline in primary metals appears in prospect.

TENNESSEE

Knoxville: Losses in textiles, primary metals, instruments, Government tobacco warehouses lead recent downtrend.

Mr. President, I refer again to the bill which has been introduced by the distinguished junior Senator from Massachusetts [Mr. KENNEDY]. It is the first bill ever introduced in Congress, at least which I have noticed, to reimburse workers and industries for the loss of jobs and the destruction of industry.

FAIR FOREIGN TRADE PROGRAM WOULD RESTORE DISTRESSED UNITED STATES INDUSTRIES

Mr. President, the textile and the primary metal industries will prosper when this country resumes the foreign-trade

policies that existed during the first 150 years of our history, with American metals and textiles given equal access to American markets with competitive foreign products.

The favoritism shown to foreign metals and foreign textiles under the Trade Agreements Act of 1934 is bringing distress and unemployment to the American textile and metals industry.

We come now to the new smaller group IV-A areas, which I shall summarize from the May report of the Bureau of Employment Security of the Department of Labor.

SMALLER GROUP IV-A AREAS LISTED—ALABAMA

Alexander City: Recent drop in dominant textiles, over-the-year decline in important lumber and wood product companies increased number of jobless almost threefold within the year.

Anniston: Substantial cutback in ordnance plus recent sharp drop in lumber.

Talladega: Ordnance, textile, and apparel layoffs result in substantial unemployment increases.

GEORGIA

Cordele: Contract completion brings recent ordnance drop.

IOWA

Burlington: Sharp rise in joblessness in past year occasioned principally by ordnance layoffs.

Ottumwa: Sharp employment decline during the past year due to sagging demand for farm implements and layoffs in meatpacking, construction, railroads, and trade.

KENTUCKY

Frankfort: Year-long layoffs in textiles, apparel, leather, construction produce substantial surplus.

Owensboro: Cutback in dominant electrical machinery.

MASSACHUSETTS

Milford: Manufacturing decline, centered in textile machinery and textiles, boosts unemployment to substantial levels.

MICHIGAN

Adrian: Unemployment triples over year as slackened defense-civilian activity forces nonferrous foundry, metal fabrication, household machinery cuts.

Ann Arbor-Ypsilanti: Year-long employment decline stemming from cancellation of aircraft contract, suspension of auto assembly at major plant results in substantial unemployment.

Benton Harbor: Significant over-the-year losses in primary metals, nonelectrical-electrical machinery produces substantial labor surplus.

Iron Mountain: Winter shutdown of three iron-ore mines aggravates already adverse economic situation.

Jackson: Civilian and defense production cutbacks drop factory work force 10 percent.

MISSOURI

Joplin: Principal employment losses in past year noted in trade, textiles, and apparel.

Springfield: Over-the-year losses reported in furniture, transportation, and stone-clay-glass industries. Joblessness up more than 50 percent in same period.

Mr. President, I might say here that stone-clay-glass imports have wrecked that industry throughout the United States. Many Pennsylvania, Ohio, West Virginia communities and stone-clay-glass centers in other States are experiencing the same distress as Springfield, Mo.

NEW YORK

Jamestown-Dunkirk: Unemployment rise in past year attributed chiefly to downturn in primary metals and other durable goods manufacturing, plus layoffs in apparel and textiles.

PENNSYLVANIA

Berwick-Bloomsburg: Sharp drop in dominant transportation equipment attributed to termination of Government, civilian contracts.

New Castle: Durable goods decline (steel, machinery, auto parts), results from drop in civilian, defense orders.

TENNESSEE

Bristol-Johnson City-Kingsport: Largest cutback centered in dominant chemicals industry but furniture reduction also significant.

WISCONSIN

Beaver Dam: Past year employment declines in durable goods industries due to cutbacks in defense contracts.

This brings us to a group of new distressed smaller areas which have plunged almost immediately into group IV-B or areas in which 12 percent or more of the working force is jobless.

Litchfield, Ill.: Gradual deterioration over the past several years spearheaded by cutbacks in important coal mining.

Mt. Vernon, Ill.: One-third loss in manufacturing employment in past year centered in railroad equipment; apparel and trade payrolls also down.

Pittsburg, Kans.: Job declines centered in nonelectrical machinery, mining, trade, and transportation.

Henderson, Ky.: Permanent shutdown of Army camp, layoff of area's workers formerly employed in nearby Evansville, Ind., area boost labor surplus to substantial proportions.

Logan, W. Va.: Continued heavy layoffs in bituminous coal mining, return to area of former outmigrants virtually doubled unemployment in first few months of the year.

AREAS WHERE 12 PERCENT OF WORKERS JOBLESS GIVEN

Mr. President, I ask unanimous consent to place in the RECORD at this point in my remarks a complete list of all group IV-B areas, or areas where 12 percent or more of the area's work force is unemployed.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

GROUP IV-B AREAS

Lawrence, Mass.; Providence, R. I.; Gloversville, N. Y.; Ponce, P. R.; Cumberland, Md.; Altoona, Pa.; Clearfield-Du Bois, Pa.; Indiana, Pa.; Johnstown, Pa.; Kittanning-Ford City, Pa.; Pottsville, Pa.; Sunbury-Shamokin-Mt. Carmel, Pa.; Uniontown-Connellsville, Pa.; Wilkes-Barre-Hazleton, Pa.; Big Stone Gap-Appalachia, Va.; Beckley, W. Va.; Logan, W. Va.; Morgantown, W. Va.; Point Pleasant, W. Va.; Roncove-White Sulphur Springs, W. Va.; Welch, W. Va.;

Jasper, Ala.; La Follette-Jellico-Tazewell, Tenn.; Newport, Tenn.; Corbin, Ky.; Hazard, Ky.; Henderson, Ky.; Madisonville, Ky.; Middlesboro-Harlan, Ky.; Paintsville-Prestonburg, Ky.; Pikeville, Ky.; Williamson, W. Va.; Herrin-Murphysboro-West Frankfort, Ill.; Litchfield, Ill.; Mount Vernon, Ill.; Michigan City-La Porte, Ind.; Vincennes, Ind.; Kenosha, Wis.; Pittsburg, Kans.

AREAS OF 6 TO 12 PERCENT UNEMPLOYMENT

Mr. MALONE. Mr. President, I now ask unanimous consent to place in the RECORD a complete list of areas designated group IV-A areas in which from 6 to 12 percent of the area's workforce is unemployed.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

GROUP IV-A AREAS

Biddeford, Me.; Fall River, Mass.; Lowell, Mass.; Milford, Mass.; New Bedford, Mass.; North Adams, Mass.; Southbridge-Webster, Mass.; Atlantic City, N. J.; Paterson, N. J.; Albany-Schenectady-Troy, N. Y.; Buffalo, N. Y.; Hudson, N. Y.; Jamestown-Dunkirk, N. Y.; Utica-Rome, N. Y.; Mayaguez, P. R.; San Juan, P. R.; Asheville, N. C.; Durham, N. C.; Waynesville, N. C.; Winston-Salem, N. C.; Berwick-Bloomsburg, Pa.; Erie, Pa.; New Castle, Pa.; Philadelphia, Pa.; Pittsburg, Pa.; Reading, Pa.; Scranton, Pa.; Williamsport, Pa.; Covington-Clifton Forge, Va.; Radford-Pulaski, Va.; Bluefield, W. Va.; Charleston, W. Va.; Clarksburg, W. Va.; Fairmont, W. Va.; Huntington, W. Va.; Ashland, Ky.; Parkersburg, W. Va.; Wheeling, W. Va.; Steubenville, Ohio; Alexander City, Ala.; Anniston, Ala.; Gadsden, Ala.; Talladega, Ala.; Cedartown-Rockmart, Ga.; Cordele, Ga.; Jackson, Miss.; Bristol-Johnson City-Kingsport, Tenn.-Va.; Chattanooga, Tenn.; Knoxville, Tenn.; Frankfort, Ky.; Owensboro, Ky.; Adrian, Mich.; Ann Arbor-Ypsilanti, Mich.; Battle Creek, Mich.; Bay City, Mich.; Benton Harbor, Mich.; Detroit, Mich.; Ionia-Belding-Greenville, Mich.; Iron Mountain, Mich.; Jackson, Mich.—where the Republican Party was founded with pledges to safeguard America's economy—Monroe, Mich.; Muskegon, Mich.; Port Huron, Mich.; Canton, Ohio; Toledo, Ohio; Aurora, Ill.; Davenport-Rock Island-Moline, Iowa-Ill.; Joliet, Ill.; Peoria, Ill.; Evansville, Ind.; Fort Wayne, Ind.; South Bend, Ind.; Terre Haute, Ind.; Duluth, Minn.-Superior, Wis.; Beaver Dam, Wis.; La Crosse, Wis.; Racine, Wis.; Burlington, Iowa; Ottumwa, Iowa; Joplin, Mo.; Springfield, Mo.; St. Joseph, Mo.; St. Louis, Mo.; San Antonio, Tex.; Texarkana, Tex.-Ark.; Albuquerque, N. Mex.; Portland, Oreg.; and Tacoma, Wash.

QUERY ON VIEWS OF UNEMPLOYED TOWARD TRADE ACT PROPOSED

Mr. MALONE. Mr. President, I suggest that the Congress determine how the unemployed workers of those cities view imports of foreign products competing with American industry imports which these workers, when they were employed, helped subsidize with their tax dollars.

During the past year, and while the trade-agreements program was in force under an extension, 1,488,000 industrial workers lost their jobs, 1,344,000 of them in manufacturing, and 98,000 of them in mining industries.

Many of these jobless workers live in States, one or more of the Senators from which not only are advocating the extension of the depression-breeding Trade Agreements Act, but proposing exten-

sion of the act for 3 years, with greatly broadened powers to the executive branch further to decrease tariffs on foreign imports which today are putting American citizens out of work.

TWENTY-TWO PROPONENTS OF 3-YEAR EXTENSION HAVE DISTRESSED AREAS IN OWN STATES

This brings me to H. R. 9474, proposed as amendments in the nature of a substitute by the distinguished junior Senator from Tennessee and 22 other able Senators from 17 States.

Four of these States, Florida, Oklahoma, South Carolina, and Montana have no areas listed in the latest report of the Bureau of Employment Security as being either in group IV-A or group IV-B.

The number of distressed areas in the remaining 13 States ranges from 1 to 7.

Both of the distinguished Senators from Tennessee are associated in the amendments proposed as a substitute, which would extend the Trade Agreements Act for 3 years, with broad powers to further reduce tariffs. The distressed areas of Tennessee are Chattanooga, Knoxville, Newport, LaFollette-Jellico-Tazewell, Johnson City-Kingsport.

Earlier in my remarks today, I discussed unemployment in Knoxville and in the Johnson City-Kingsport area, and on March 31, 1954, I discussed the unemployment in Chattanooga, and in the LaFollette-Jellico-Tazewell and Newport areas, as reported at that time by the Bureau of Employment Security.

LaFollette-Jellico-Tazewell was distressed, my colleagues will recall, by a 60-percent decline in coal-mining activity, and with many of the remaining 1,400 miners employed only 1 or 2 days a week.

Newport was suffering from employment losses in lumber, leather, and the stone-clay-glass industry, all of them hurt by heavy imports. Both are now group IV-B areas, with 12 percent or more of their wage earners jobless.

Chattanooga was suffering from what the Bureau of Employment Security described as a fairly general downtrend led by chemicals, fabricated metals, trade.

The junior Senator from Nevada has previously noted that Johnson City-Kingsport, like Chattanooga, has suffered its largest cutback in the dominant chemicals industry, and that textiles, primary metals, and instruments lead the list of industries in which job losses have occurred in Knoxville, Tenn.

Textiles and primary metals are among our heaviest imports from foreign countries.

CHEMICAL CENTERS HARD HIT BY IMPORTS

The setback in the chemicals industry of Chattanooga and Johnson City-Kingsport is, in the opinion of the junior Senator from Nevada, quite significant.

I ask unanimous consent to have placed in the RECORD at this point in my remarks a signed article written by Dr. Cary R. Wagner, president of the Synthetic Organic Chemical Manufacturers Association, published under the heading "Free Trade Drive Is Seen as a Threat to Industry Progress" in the

New York Journal of Commerce of June 3, 1954.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FREE-TRADE DRIVE IS SEEN AS THREAT TO INDUSTRY PROGRESS—SOCMA HEAD WARNS FURTHER LOWERING OF PROTECTION WOULD IMPERIL MOBILIZATION CAPACITY, STRENGTH OF DOMESTIC ECONOMY

(By Dr. Cary R. Wagner, president, Synthetic Organic Chemical Manufacturers' Association)

High pressures, hot retorts, mixed reactions, and murky solutions are familiar technical problems to producers of organic chemicals. These are also characteristics of the tariff debate which has swirled around the Randall Commission's report and the administration's program to carry out the Commission's recommendations.

Free traders, for example, like to repeat parrotlike the magic words that unless American tariff barriers are lowered, the free world will be unable to trade with us, become weak, and succumb to Communist ideology. Few trouble to look at the record. Those who do find that it rebukes such grossly distorted pleas for further reduction of United States tariffs.

TRADE FIGURES CITED

The record shows that there is now no dollar gap. United States current account of international payments, excluding military-aid shipments, for the 1953 fiscal year shows a deficit of \$100 million. For the calendar year 1953 the deficit was \$300 million. Foreign gold and dollar holdings have built up \$8 billion in the last 5 years to \$23 billion—50 percent higher than in 1937.

United States tariffs are the lowest of any important commercial nation. From a level of 46.7 percent average ad valorem equivalent in 1934, United States tariffs have been reduced to 12.4 percent on dutiable imports and 5.6 percent on dutiable and free imports in 1953.

United States imports reached a record-breaking \$11 billion in 1953. Furthermore, the increase in our gross national product predicted by the Paley Commission report will carry along with it an ever-increasing volume of United States imports. By 1975 our gross national product will double, while our population increases nearly 27 percent. This will result in an increase in the physical volume of imports of 2.3 percent per year during the next 20 years.

MILITARY-AID BACKLOG

Let it be remembered, too, that there is at the present time a \$10 billion backlog of undelivered but programmed United States military aid for our foreign allies. Whatever imbalance may arise as the volume of merchandise and service exports and imports of the United States fluctuates from time to time can be met out of the dollars which are being made available to our allies through this offshore-procurement program, and without any additional appropriations.

The dire predicament of our allies depicted by the free traders as justification for tariff cutting simply does not exist, as these facts eloquently show.

Those interested in the tariff debate, who by now have perhaps become accustomed to seeing barbs and shafts launched by the free traders at the chemical industry should be reminded that the organic chemical industry is not urging higher tariffs.

EQUALIZING OF TARIFFS

The organic chemical industry has, however, been in the thick of the debate on our national tariff policy, because it owes its existence to a wise tariff policy adopted by the Congress after World War I. It owes much of its vigor and dynamic rate of expansion to

the equalizing effect which chemical tariffs have had on the production advantages enjoyed by foreign producers.

What then is the objective of the organic chemical industry's tariff program if it's not higher tariffs. Simply, this: To preserve all the conditions necessary for protecting the restless strength and dynamic energy of the organic chemical industry.

The domestic organic chemical industry faces foreign competition whose labor is paid wages only one-fourth to one-sixth those paid the American chemical worker. Technology and raw-material costs are comparable here and abroad.

MUST FACE REALITIES

Equalizing the cost of production is not a sop to overcome a lagging unproductive domestic industry. It is stern reality premised upon the ability of our foreign competitors to use comparable technical production ingenuity in the same harness with underpaid, low-cost labor.

Under 20 years of doctrinaire free-trade agreeableness by the United States, chemical tariffs have been reduced 51 percent. By 1952 96 percent of chemical imports were subject to reduced duty rates. The average ad valorem equivalent of chemical duties in that year was but 12.4 percent.

Chemical imports under the lash of these tariff reductions have jumped fivefold between 1947 and 1952. They have increased in that period from \$9 million to \$44 million.

GERMAN EXPORT BOOM

The United States industry's traditional foreign competitor, the German organic industry, has seen its exports to the United States move from \$129,000 in 1948 to \$6,450,000 by 1952, a fiftyfold increase. The U. N. report on the economic situation in Europe in 1953 reports that by the end of 1953 West Germany's exports to the dollar area trebled over 1953, record level.

Well might the industry's leaders watch these developments. They occur at a time when the West German Government has all but abandoned efforts to secure legislation outlawing cartels. The international dye and chemical cartel was centered in Germany prior to World Wars I and II. It was the cartel which prevented the development of a domestic organic chemical industry before World War I.

After the First World War the Nation's military leaders, determined never again to wage a war without a strong organic chemical industry to supply essential chemicals for explosives, medicinals, dyes, and the countless industrial uses related to the war effort, secured from the Congress a realistic tariff policy for the establishment and development of an industry in this country.

World War II found a strong yet relatively small industry ready to do a job. Tremendous expansion of the organic chemical industry was necessary, however, in order to meet all of World War II's essential requirements.

ROLE IN NATIONAL SECURITY

The industry made that expansion. Productive capacity in 1939 was 4 billion pounds per year; by 1944 this had leaped to 15 billion pounds. This growth continued after World War II. In the Korean emergency the industry turned out 27½ billion pounds of organic chemicals. Under certificates of necessity, the mobilization authorities have projected the expansion of the industry to a capacity of 36½ billion pounds by 1955.

Those who followed the activities of the recent Chemical Progress Week, and particularly those who attended the convention of the Armed Forces Chemical Association in Washington that week and saw the exhibits there, realize the tremendous influence organic chemicals have on our way of life and our national security.

The amazing accomplishments and entire new industries which have been based upon synthetic organic chemicals is an exciting story of industrial pioneering in America's newest frontier—chemical technology. Pharmaceuticals, plastics, agricultural chemicals, dyes which duplicate the vivid hues of the rainbow, new explosives and implements of war, detergents, the amazing surface-active agents—all of these stem directly from developments in the organic-chemical industry during the past 10 years.

Indeed, many of the largest companies in the industry are devoting the bulk of their production today to products which were not even in existence 10 years ago.

AIM OF TARIFF ACT

Thoughtful leaders in the chemical industry are aware that these accomplishments are the fulfillment of the objective underlying the national policy expressed in the Tariff Act of 1922 and 1930 for the creation and protection of the organic chemical industry in the United States. The congressional debates and reports for those acts show that the Nation was determined to reach the following results:

1. Create and maintain chemical technology and productive capacity to supply the explosives, medicinals, dyestuffs, and other organic chemicals needed in time of war.

2. The advancement of medical chemistry, strengthening the Nation's health resources through progress based upon organic chemistry.

CREATES NEW INDUSTRIES

3. Bolstering the Nation's economy through expansion of the chemical industry and the establishment of new industries based on products of organic chemical research.

4. Building up a pool of technically skilled chemical engineers and research scientists to man domestic industry in time of peace and the Nation's war production in time of war.

5. Stimulate scientific research by multiplying chemical laboratories throughout the Nation and providing employment for students attracted through a lucrative profession in chemistry.

6. Protect the American chemical industry from economic warfare by foreign cartels.

PROGRESS IN 30 YEARS

The policy has been an astounding success. In the space of 30 years the industry's capacity for defense production has grown from 144 million pounds to 36½ billion pounds. Research expenditures have leaped from \$4 million to \$200 million.

Whole new areas in medical science have opened up based on the new wonder drugs and pharmaceuticals produced from organic chemicals. Entire new industries based on organic chemicals—synthetic fibers, synthetic rubber, plastics, agricultural chemicals, detergents—have sprung up to play their part in strengthening the domestic economy.

The industry's research and development activities have stimulated the growth of the chemical and engineering professions. Today nearly half of all chemists specialize in organic chemistry. More than 100,000 chemists and 50,000 chemical engineers now staff the plants and laboratories of the Nation, double the number in 1940.

INDUSTRY POSITION

The position which the organic chemical industry has laid before the Randall Commission, the executive departments, and the Congress is simply this:

Whatever form our national tariff policy takes, it must include adequate, efficient, speedy procedure to safeguard essential defense productive capacity from import injury.

Next our tariff and trade program, whatever its form, must not be executed in a manner which will undermine the sources of strength for our domestic economy. This is of far greater importance to a continued high

level of foreign trade than any psychological monkeying with our tariff schedules.

The only remedy available now to protect industrial mobilization capacity or to preserve essential sources of strength in our domestic economy from import injury is the escape clause. How ephemeral this remedy is! In over 60 applications filed with the Tariff Commission, relief has actually been granted in only three.

BILL H. R. 6584

For similar reasons, SOCMA is opposed to H. R. 6584 now pending in the Senate which would change customs valuation and currency conversion procedures. By eliminating the higher foreign value base, the bill would cut duties and protection available to domestic industries.

A special analysis prepared for SOCMA by the Bureau of Census on the basis of Bureau of Customs data for 1952 imports indicates that a reduction of 12.1 percent in duties on the majority of imported organic chemicals subject to ad valorem rates would occur if this single change of eliminating foreign value were made.

The bill's new definitions for value bases would also result in lower duties and a loss of protection for domestic industries. The bill would tie currency conversion to par values for foreign currencies which are established abroad.

SAFEGUARDS LACKING

All of these changes, will make it easier for foreigners to exert some control over the determination of United States duties. The sweeping reductions which would result from this bill, moreover, are not even subject to the limited safeguards now provided by the peril point and escape clause procedures.

No one seriously will argue that the United States should not protect its industrial capacity of importance to our own security. Competent observers agree that the most important factor to a continued high level of international trade and the economic strength of the free world is the continued strength and expansion of the United States economy.

It behooves us, then, to adopt measures which will meet these two objectives upon which there is no disagreement. A further reduction of tariffs cannot logically be regarded as appropriate to either end. Rather, a streamlining of the escape clause so that relief from import injury will be quickly granted or a restoration of the procedure for equalizing the cost of production here and abroad is needed.

Mr. MALONE. Mr. President, the distinguished Senators from Alabama also are sponsoring the amendments proposed as a substitute to extend the Trade Agreements Act for 3 years, with authority to grant further tariff-cut concessions to foreign products shipped to the United States.

Alabama, like Tennessee, has 5 group-IV areas, 4 in group IV-A, Alexander City, Anniston, Gadsden, and Talladega, and 1 in group IV-B, Jasper.

Jasper, it may be recalled, is suffering from the depression in bituminous coal mining, caused in large part, according to industry and labor spokesmen, by the heavy imports of residual fuels from foreign countries.

Gadsden is suffering from layoffs in primary metals, Alexander City from its sharp drop in dominant textiles, Talladega from textile, ordnance and apparel layoffs, and Anniston from cutbacks in ordnance, while the Government carries out its two-billion-dollar program of offshore or foreign military procurement.

The junior Senator from New York, a State which has 6 group-IV areas, 1 of

them now relegated to group B, has associated himself with the junior Senator from Tennessee in proposing a 3-year extension and further tariff cuts.

The group IV-B city is Gloversville, of which the Bureau of Employment Security has stated tersely: "Difficulty in competing with foreign glove makers has contributed to employment decline for a number of years."

The other five group-IV New York areas are Hudson, where textile shut-downs have brought distress, and Albany-Schenectady-Troy, Buffalo, Utica-Rome, and Jamestown-Dunkirk, previously discussed.

Neither the States of Tennessee or Alabama, nor the State of New York, lead in the number of distressed areas, however. That unenviable distinction is held by Illinois, whose senior Senator is among the 23 Members who have proposed H. R. 9479, calling for a 3-year extension of the Trade Agreements Act as a substitute for the pending legislation.

Illinois has 7 group-IV areas, 3 of them classified as group IV-B.

The group-B areas are Herrin-Murphysboro-West Frankfort, where coal miners and sewing-machine operators make up a large segment of the 12 percent or more unemployed; Litchfield, and Mount Vernon, whose distress the junior Senator from Nevada discussed earlier in his remarks.

The group IV-A areas are Aurora, Rock Island-Moline, Joliet, and Peoria, also previously discussed.

Chicago has not reached group IV status, but it has moved downward from group II to group III in the latest report, group III meaning those of moderate labor surplus, or unemployment. The Bureau of Employment Security notes of Chicago:

Mounting unemployment resulting from continuing durable goods cutbacks—especially in communications equipment, steel mills and foundries primarily responsible for classification change. Joblessness more than triple year-ago level.

TRADE ACT EXTENSION MAY BE DEPRESSION FACTOR

Mr. President, the junior Senator from Nevada has heard some speculation from other sources—and he wants to make it clearly understood that he in no way refers to the senior Senator from Illinois in this regard—that a depression would increase the possibility of a new administration in 1956, an administration more inclined to the policies of the extremist wing of the opposition party. I have never attached much weight to such considerations, convinced as I am that my colleagues on both sides of the aisle are dedicated to what they consider the best interests of the Nation.

However, should there be such assumption in any circles outside this body, no way to bring about a depression in time for the next elections could be more certain than extending the Trade Agreements Act for another 3 years.

ORIGINAL SPONSORS OF TRADE ACT UNSURE OF ITS EFFECTS

The Trade Agreements Act was a New Deal creation by New Dealers so unsure themselves of this international socialistic program that they limited the ini-

tial act to only 3 years. They did so at a time when they had such powerful influence in Congress that they could readily have made it a permanent statute and policy, subject only to outright congressional repeal.

The law was enacted originally as a temporary measure to meet only a temporary and emotional situation, and, through repeated extensions, it has been on the statute books ever since, reaping profits for a few industrialists who have extensive industrial operations abroad, and international financiers, and reaping distress, investment setbacks, retarded resource development, and unemployment here at home.

Missouri's two distinguished Senators, like those of Tennessee and Alabama, have associated themselves with the proposed amendment which would extend the Trade Agreements Act for 3 years and open the gates to increased foreign competition through further reductions in tariffs. Missouri has four newly designated group IV areas—St. Louis, Joplin, Springfield, and St. Joseph—with unemployment noted in Joplin's textile industry. Springfield's stone-clay-glass craftsmen, St. Joseph's meatpacking and apparel industries, and in St. Louis in ordnance, primary metals, and autos, with the notation that unemployment has more than doubled during the past year.

Ohio's able junior Senator supports a 3-year extension of the Trade Agreements Act, with Canton a new group IV area as a result of production cutbacks in steel and nonelectrical machinery, and Toledo an older group IV area because of cutbacks in auto plants, electrical machinery, aircraft parts, and glass.

RHODE ISLAND SUFFERS FROM TEXTILE IMPORTS

Other supporters of a 3-year extension of the act include the distinguished senior Senator from Rhode Island [Mr. GREEN], where its principal city, Providence, is a group B or superdistressed area, and has suffered a sharp slump in textile employment in recent years which is largely responsible for persistence of sizable unemployment, according to the Bureau of Employment Security.

States that have two Senators associated with the proposed 3-year extension substitute and which have one distressed area are Washington and Arkansas; those with one pro-3-year-extension Senator and one distressed area are Mississippi, Minnesota, Oregon, and New Mexico. None of the Senators who have associated themselves officially with the amendment proposed by the junior Senator from Tennessee are Republicans.

TRADE ACT CREATES DEMAND FOR FOREIGN SUBSIDIES

Mr. President, the foreign policy carried over from the previous New Deal and Fair Deal administrations, under which we export money, jobs, and contracts, and import foreign goods, cutrate competition, and unemployment, just does not work in a peacetime economy. It has never worked in peacetime or at any time when we were not stretched to the very limit of our manpower potential by an all-out, maximum war-

production effort. It cannot work at any other time, and will not work at any other time, because it simply does not make sense to subsidize foreign industry, subsidize foreign workers, and subsidize foreign products being brought into the United States to compete against our own goods, and in the meantime tax our industries and workingmen to the very limit, to pay for subsidizing the foreign competition that is closing the doors of our industrial plants and is putting their employees out of work.

The siren song of freetraders in 1934, as it is now, was that lower tariffs would induce foreign countries to open their markets to the products of our industry, without our having to furnish them the money to pay for what they obtain from us.

Since this act was placed on the statute books, we have managed to increase exports by giving more than \$100 billion to foreign countries, almost 50 billion of it since the war.

In other words, the American taxpayer has had to pay for half the goods we export, without deriving any utility or monetary benefit from the products we ship abroad. This would not be too serious if we were only shipping abroad goods that we pay for ourselves. But hand in hand with this program of giving away America by bits and pieces has been the stratagem of flooding our own markets with foreign goods produced by low-wage, low-taxes, peon, coolie, or sweatshop labor. If carried to its ultimate end, this program to give away our jobs, resources, wealth, and industry will ultimately destroy our country, as the socialistic and communistic countries of the world desire.

FOREIGN COUNTRIES CURB ENTRY OF UNITED STATES GOODS

In a short time I shall document the acts of more than a score of foreign countries—all receiving aid from the United States, at the expense of American taxpayers—who have raised drastic trade barriers against American goods, while we have opened our gates to their products, products that are costing Americans their jobs, closing down mines, mills, and factories, and creating a serious industrial recession.

Mr. President, the data I present will be from our own official records.

Recession, or call it depression, if you prefer, is foreordained in any peacetime period so long as we give away to foreign competitors both our wealth and our jobs.

The only way we can maintain a rising and balanced economy is the way our forefathers followed for the first 150 years of our history, the constitutional way of regulating commerce through Congress in the interest of the United States, and of laying duties, imposts, and excises—called tariffs—to meet the glaring foreign wage and tax differentials, thus giving American workingmen and investors equal access to our own markets.

In other words, we must give American industry protection, as we give protection to our farmers, and for the same reason, namely, that if we do not, the whole country will "go broke."

At present we do give protection to many major agricultural industries, though not to all. We protect the prices farmers receive for tobacco, wheat, corn, peanuts, cotton, and rice, for example, under a program the junior Senator from Nevada has supported.

PARITY IS PROTECTIVE TARIFF PRICE FOR WHEAT, CORN, COTTON, RICE

We do it under a system called parity, which the junior Senator from Nevada also has supported.

Parity, to all purposes and effects, is the protective-tariff price for cotton, for wheat, and for the other commodities I have listed.

There are also other methods by which the Government, properly, I think, protects the farmer and the prices he receives for his products.

Mr. President, unless duties or tariffs—whatever they may be called—are invoked, so as to equal the differential between the wage-living standard in the United States and that of our chief competitive country, the importations of agricultural products will make the program so expensive that the American people will disown it. We are importing butter from Denmark and the Low Countries; we are importing wheat from Canada. I could name many other agricultural products we are importing; and we are either storing them or storing our own products. We now have in storage three crops of wheat and corn, and another crop of each is coming up.

TARIFFS ADD REVENUE TO TREASURY; SUBSIDIES TAKE MONEY OUT

Mr. President, at this time I should like to say that the difference between a tariff and a subsidy is that a tariff is new money coming into the United States Treasury, that may be expended in lowering the national debt or lowering taxes. On the other hand, subsidies are a new or a higher tax taken from the taxpayers and paid to the producers.

In contrast to the protection given important segments of our agriculture, Mr. President, no protection at all is given to producers in many of our vital industries, including our defense industries. Protection has been destroyed either by completely removing equalizing tariffs or by dropping them so low that the only way an American industry could compete would be to lower wages to the bare subsistence level of foreign sweatshops.

In other words, if the tariff or duty is only 10 percent lower than the differential between the wages and taxes and other important factors in connection with doing business in the United States, as compared with doing business in our chief competing nation, then the wages and investments must be written off by that amount, or else those firms will have to go out of business.

TRADE ACT LEAVES INDUSTRY DEFENSELESS

Made defenseless by the Trade Agreements Act of 1934, many mills, mines, and factories today have closed; industrial employment is continuing to plunge downward; and more and more cities are being added to our lists of distressed areas, as I have shown from official records.

How long, may I ask our free traders, will unemployed textile workers, pottery

makers, coal miners, glassblowers, leather workers, hat makers—and I could name workers in a hundred other crafts and industries—continue to have faith in a representation in the Congress which year after year extends the Trade Agreements Act of 1934, thus denying them their means of livelihood?

INDUSTRIALISTS WITH FACTORIES IN FOREIGN LANDS BACK EXTENSION

How long are they going to back a program, whether it be the program of that erstwhile Venezuelan agent, Charles P. Taft; or of Clarence S. Coleman, busy manufacturing typewriters and accounting machines with low-cost labor in France and other foreign countries; or of Henry Ford II, with his 26 foreign subsidiaries; or of Clarence M. Randall; or, by adoption and misadvice, that of an administration, while displaced American workers are paying, on a national average, 21.5 cents a quart for milk, 70 cents a pound for butter, 17 cents for a 1-pound loaf of bread, or \$4 or more for a cotton shirt—and paying for these protected commodities, if you please, out of their meager unemployment compensation checks, received in lieu of francs, shillings, and pesos going to some foreign workers.

Mr. President, I ask unanimous consent to have printed in the RECORD, at this point in my remarks, an article entitled "Foreign Firms Pay Two Backers of Free Trade," written by the Washington correspondent, Philip Warden, and published in the December 21, 1953, issue of the Washington Times-Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of December 21, 1953]

FOREIGN FIRMS PAY TWO BACKERS OF FREE TRADE—CHARLES TAFT FILES AS VENEZUELA AGENT

(By Philip Warden)

Two of the leaders in a businessmen's campaign to lower American tariffs and permit free trade are on the payroll of some foreign firms which would benefit most, it was revealed Sunday.

They are Charles P. Taft, president, and George W. Baii, secretary, of the Committee for a National Trade Policy, Inc. Both have filed registration statements with the Justice Department under the Foreign Agents Registration Act as agents of Venezuela.

The American coal industry and the independent oil companies, whose properties and operations are confined to the United States, claim they are suffering heavy financial losses because many of the largest industrial consumers of their products are switching to Venezuelan waste oil for fuel.

Venezuelan oil refineries, owned for the most part by one or two big American oil companies, are somewhat primitive by comparison with refineries in the United States, oil industry officials said. In refining gasoline and other petroleum products from Venezuelan crude oil, the refiners accumulate a low-grade oil which for many years was dumped in the ocean as waste.

UNDERCUT UNITED STATES OILS

Petroleum researchers found this waste oil made a good fuel oil when special burners were installed. The refiners in recent years have pushed its sale along the eastern seaboard, offering it at prices below American coal and American-produced fuel oils.

The coal industry and the independent oil producers have been fighting for congres-

sional action for months to get tariffs increased on the Venezuelan residual fuel oils as a protective measure. The tariffs had been cut in half a year ago by Presidential order.

With a fight on their hands, the Venezuelan Chamber of Commerce hired the Washington law firm of Cleary, Gottlieb, Friendly & Baii, its associate firm in New York, at a \$75,000-a-year fee to provide legal advice and related services.

"These services include giving advice to proposals designed to increase tariffs or impose quotas on petroleum and petroleum products," the registration statement filed by the law firm with the Justice Department said. "In this capacity the registrant has prepared and distributed mimeographed materials opposing such proposals and has individually communicated its opposition to such proposals to interested persons in the United States."

The registration statement showed that the law firm has established a network of representatives among powerful political figures across the Nation to propagandize for Venezuela.

Taft, brother of the late Republican Senator from Ohio, is listed as the spokesman in Cincinnati. Stuart S. Ball, one of Adlai Stevenson's principal advisers in the 1952 presidential campaign, is the Chicago representative, the registration statement shows.

Taft, the Justice Department said, has filed a separate registration statement. His statement, however, does not show what fees, if any, he has collected.

TAFT DESCRIBES WORK

Taft, in a recent letter to a newspaper, said his job involves "enlisting the support of the many Cincinnati businesses, ranging from small producers of cotton clothing and toys, all the way up to Procter & Gamble, and the Cincinnati Milling Machine Co.," in fighting the imposition of quotas on Venezuelan oil imports. He said he was "hired" by the Cleary firm for this purpose.

GOVERNMENT WEEKLY LURES FOREIGN INVESTORS

Mr. MALONE. Mr. President, the myth that subsidies and trade giveaways bring concessions, in return, from foreign countries, or that these countries in return open their doors to our goods and products, is readily debunked just by reviewing the multitude of trade barriers other nations have erected while we have torn down ours, leaving our industrial economy defenseless in the face of foreign competition.

A review of these facts, as presented in the Foreign Commerce Weekly of the Department of Commerce, will show how the contentions of our free traders are borne out.

Mr. President, the Foreign Commerce Weekly of the Department of Commerce frequently reflects the policies and effects of our pro-foreign-trade program.

A run-through of issues of the current year may be revealing.

For example, on page 4 of the January 4, 1954, issue appears an advertisement, paid for by American taxpayers, as is the publication itself. The advertisement reads as follows:

Investment in Venezuela. Conditions and outlook for United States investors. \$1. From United States Department of Commerce field offices, or from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C.

The advertisement is in a neat box, with the name "Venezuela" in big, black letters, and of course is published with-

out cost to Venezuela. The junior Senator from Nevada is a strong believer in the virtues of advertising when paid for by the prospective beneficiary, instead of being paid for by the American taxpayer. He believes that the proper place for investment-in-Venezuela advertisements designed to extract dollars from America is in commercial publications, not in a Government publication for which our taxpayers have to pay.

PUBLICATION PROMOTES MORE FOREIGN COMPETITION TO UNITED STATES INDUSTRY

The junior Senator from Nevada has scanned all the 1954 issues of the Foreign Commerce Weekly, and many of the issues in previous years, and finds none advocating foreign investment in America, which might supplement American payrolls.

As will be shown, the Venezuelan advertisement is repeated in many issues of the Weekly, indicating that the Department of Commerce is eager to increase American investments in Venezuela and, through them, the production and exportation of more commodities in competition with American workingmen and women, such as already have brought distress to our coal industry and serious and severe cutbacks to our own domestic oil production.

The January 4 issue also contains a somewhat glowing article on Venezuela's prosperity, of which one paragraph reads as follows:

Production of heavy crude petroleum was increased to meet the better world demand for fuel oil, and overall country oil production reached an average of 1,870,487 barrels a day for the week ended November 23, the highest rate since the week ended January 5, 1953.

This is the fuel oil, of course, which is closing American coal mines in many states, putting coal miners out of work by the tens of thousands, creating a third of the Nation's distressed areas, and forcing States like Texas and Kansas to reduce their own oil production.

VENEZUELA FEARS UNITED STATES "DUMPING"

Equally intriguing are the following paragraphs appearing in the same article:

Reports from Buenos Aires on the unfavorable reception in Argentina of the United States declaration that beef was in surplus supply and would be sold to the United Kingdom for sterling, brought immediate reaction among farm and industrial groups in Venezuela.

These groups fear that a policy of dumping is being adopted by the United States.

Mr. President, the country which last year dumped on the United States more than one-third of a billion dollars' worth of petroleum products, including tremendous amounts of residual fuel oils, is worried about the possibility that the United States will dump on it some of our farm surpluses.

Let me read further from the article in the Foreign Commerce Weekly, published by the United States Department of Commerce:

The Venezuelan view is that dumping has not yet begun but that surpluses in the United States must be sold abroad.

Note this, Mr. President:

Those who expressed a fear of dumping proposed taking protective measures in anticipation of excessive exports from the United States.

Mr. President, from time to time protective measures against the dumping of Venezuelan fuel oils on the United States have been proposed to the Congress, and have always met with furious opposition from the State Department and the very vocal spokesmen for free trade. Venezuela, herself, has not been idle in resisting American proposals against having Venezuela dump her peon-labor products on the United States.

Mr. Charles P. Taft, we recall, was hired by Venezuelan interests to assist them in combating these proposals, on which occasion he registered under the Foreign Agents Registration Act as a foreign agent.

Foreign Agent Taft—Charles P. Taft, that is—now is president of a so-called Committee for a National Trade Policy, which is campaigning for more tariff concessions to Venezuela and other countries. Mr. Taft has recently been in Washington, propagandizing for approval of the Randall recommendations to further reduce our tariff defenses, weaken the Buy-American Act, and extend the depression-breeding Trade Agreements Act of 1934.

It would be interesting to note how Mr. Charles P. Taft views the Venezuelan proposals to take "protective measures in anticipation of excessive exports from the United States."

INDIA ALSO RECEIVES FREE ADVERTISEMENTS IN FEDERAL WEEKLY

The same issue of Foreign Commerce Weekly also contains advertisements for investment in India, the nation that recently has barred American military aircraft from flying over it, enroute to Indochina, for the purpose of attempting to aid in the resistance there against Communist aggression.

Senators may have had occasion to note in their newspapers that India's Premier Nehru apparently is becoming increasingly more friendly to the Soviet and to Communists in general. The junior Senator from Nevada questions the desirability of further American investments in India where, it would seem, there is considerable risk of competition and the invoking of India's ire.

The Department of Commerce itself does not seem to consider investment in India as important as investment in Venezuela. The Venezuela investment brochure, as stated before, is priced at \$1, but the one on investment in India may be had for 70 cents, paid in at any of the Department of Commerce field offices.

An advertisement plugging investment in Colombia in the same issue of Foreign Commerce Weekly, offers an even more reduced rate—55 cents.

MILLIONS FOR BRAZILIAN POWER PROJECTS NOTED

Turning to the January 11, 1954 issue we find that international bank loans to Brazil totaling \$22.5 million will help railroads and public power, that Syria has increased duties on tires, tubes, refrigerators, washing machines, passenger

cars, and sound films, and that New Zealand has a system of import licensing which "is the principal factor limiting imports from the United States and other dollar countries," although the Government was preparing to "issue import licenses for a limited quantity of Russian canned fish."

The January 18 issue of Foreign Commerce Weekly tells of Haiti imposing higher import surtaxes, the continued "upward trend" of United Kingdom exports, and of Italy favoring sales of Italian-made TV sets. "Wide support urged for world-trade week," has a special box on page 5.

FIFTY THOUSAND SEWING MACHINES BOUGHT IN THE NETHERLANDS

The January 25 issue carries another "Investment in Venezuela" advertisement on page 5; an article on page 11 listing direct foreign investments in Venezuela as \$1.2 billion; Brazil, \$1 billion; Cuba, \$700 million; and Chile \$600 million; an article titled "United States Buys Sewing Machines From Netherlands"—a mere 50,000 units valued at about \$3 million—and of Haiti raising duties on buttons and combs.

Other interesting headlines include, "Austria to Buy Coffee Under Colombian Pact"; "U. K. to Purchase Beef Under FOA Program"—\$17,250,000 worth; "India Plans to Increase Petroleum Production"; and "Soviet Seeks Indian Trade." We learn also that "United States Merchant Fleet Decreases in Size," and that the United States Tariff Commission "Orders Hearing on Clover Seed."

RANDALL REPORT BOOSTED

The February 1 issue of Foreign Commerce Weekly, published by the United States Department of Commerce at taxpayers' expense, banners the Randall report and recommendations of tariff cuts, relaxation of the Buy American Act, and other changes that would inevitably weaken our economic defenses. The first of two articles on the subject starts on page 12, but there are many other interesting items in this issue.

The first reports, "Danish Agricultural Output Reaches New High: Industrial Production Up" which, of course, offers the possibility of more Danish cheese and butter.

"Japanese Industry Sets New Record" is another feature, with the notation that "October Exports Increased in Textiles and Textile Products (Except Staple Fibers, Drugs and Chemicals, Iron and Steel and Other Metal Products, Cement, Pottery, and Sewing Machines."

BRITISH COAL PRODUCTION UP

After that there is an article headed, "British Industry Attains Production Records: Building, Utilities Rise."

Unemployed coal miners may be interested in passages in this report on British industry which state:

Coal production in the week ended December 19, 1953, reached 5 million tons for the first time since 1938.

A marked upturn in coal production in November and December also is noted, but that is in the United Kingdom and not in the United States.

The United States statistics on coal production are not given, but the weekly

does report the decline in exports of coal from 24,604,325 tons in 1952 to 13,226,546 tons in 1953.

India gets another free "investment in India" advertisement on page 8.

EUROPEAN COAL-STEEL 5-YEAR PROGRAM CALLS FOR \$1,750,000,000

The February 8 issue of the Foreign Commerce Weekly published by the Department of Commerce continues its commendatory article on the Randall report, and carries one of the first indications of things to come in subsidies to the European Coal and Steel Community. The latter article is headed, "Investment Needed for European Coal, Steel," and the subhead states, "Coal to have first priority."

While American coal mines close, the coal industry suffers, and coal exports drop almost half within a year, we read that "A minimum of \$1,750,000,000 over the next 4 or 5 years" will be needed to modernize Europe's coal and steel industries.

Recently our Government advanced \$100 million toward this goal in Europe, or \$100 million more than it has advanced the American coal industry which, although in great distress, receives nothing.

To return to the February 8, 1954, issue of foreign commerce weekly we find on page 15 that Australia has increased duties on acetone, floor coverings, not wholly of cotton; buttons other than trochus pearl or imitation; transmission chains; certain artisans' and mechanics' tools; spectacles, sunglasses, goggles and frames; butyl alcohol, and some types of polyethylene plastics.

Decreases were indicated for butyl acetate, gaskets of metal and asbestos combined, kit-bag frames, and cork rings and corks.

We find that South Africa had restored import duties on some semfinished iron and steel products and that Mexico had placed controls on various textiles.

It is interesting to note in this issue also that "United Kingdom tightens financial controls over Middle East trade."

That "Mexico places more items under import control," and that South Africa, unlike the United States, had imposed an antidumping duty on imports of woven cotton piece goods from Japan.

MORE BRITISH CARS SCHEDULED FOR UNITED STATES MARKET

Another item is headed "Sports car to be made in Britain for United States market," adding that for approximately 12 months the entire output will be shipped to the United States, and that the price will be around \$3,000 each. This will, of course, be news—although the junior Senator from Nevada would not say welcome news—to Mr. Walter Reuther's unemployed automobile workers in Michigan and Indiana.

Headlines in the February 22 issue include: "Argentine Economy Boosted by Good Grain Harvests." "New Cost Rican Tariff Proposed." "Congo Raises Duties on Number of Items." "Dominican Coffee Tax Raised 17 Percent."

Exports, that is.

Another headline reads, "Increased Trade Between Italy, U. S. S. R. Pro-

jected Under Protocol for 1953-54"; and under another headline, "India Revises List of Free-Export Goods." One finds that antimony, bismuth, cadmium, chrome, columbium, rutil, tantalum, and zircon are no longer freely exportable without license.

Another item notes: "New Zealand Plans Lumber, Paper Projects With Export-Import Loan," and adds that United States equipment is to be used in mills now under construction.

Further on we read that the Foreign Operations Administration is financing up to \$1,200,000 Spanish purchases of ferrous scrap. Purchases may be made from the United States or from Japan, Latin America, French North Africa, or Marshall plan countries in Europe.

COFFEE PRICES RISE IN BRAZIL

The March 1, 1954, issue reports that coffee and cacao prices moved sharply upward in Brazil, that Japanese production continues at record levels, and that Mexico's new tariff schedules will further discourage Mexican imports of textiles, clothing, shoes, processed foodstuffs, and various agricultural products, most of which compete with domestic production and are already subject to high import duties.

The next to the last page notes, "United States coal exports lower in January."

The March 8, 1954, issue reports that:

Finnish economy picks up in 1953.

Economy in Pakistan shows up trend.

Haitian financial outlook improves: larger coffee, cotton crops seen.

And—

Uruguayan wool exports satisfactory.

Everybody prospers, it seems, and only the United States appears to have suffered a downturn. The question that arises in the mind of the junior Senator from Nevada is, of course, How much of this foreign boom has been financed by United States dollars taken from the pockets of our taxpayers?

VENEZUELA BOOMS

Venezuela is planning a new \$600,000 hotel we read, and the weekly carries another "Investment in Venezuela" advertisement on the following page. Further on we note that a \$3.6 million new enterprise in Venezuela is to manufacture glassware, tumblers, window glass, and bottles. The issue also carries "Investment in India" advertisement.

Turning to the next issue of Foreign Commerce Weekly, that of March 15, we find that the Government of India, where the Department of Commerce encourages American investments, has "Requested renegotiation of certain of its tariff concessions made in the general agreement on tariffs and trade in 1947 and 1951." This is being done, we are told, "in the light of exceptional circumstances."

A further paragraph reads:

The interested contracting parties to that agreement, including the United States, have agreed to this renegotiation. * * * India's purpose in requesting the renegotiation is to secure modifications in the concessions it has granted in rates of duty on specified items.

Mr. President, the junior Senator from Nevada is aware that considerable time is required to note all of these interesting items in the Foreign Commerce Weekly, but they have a bearing on the proposals now pending before the Senate that would open our gates still further to cutthroat competition by nations which impose more and more restrictions on American products.

Thus, in the March 22, 1954, issue we read the following headlines: "Additional Peruvian Taxes Proposed for Many Imports," and "Mexico Raises Duties on Number of Items."

"Investment in Venezuela" gets its usual advertising, but in this issue "Investment in India" is given doubled space.

INDIA "ANGERED" AT UNITED STATES

Mr. President, it occurs to the junior Senator from Nevada that more advertising in behalf of India by the Department of Commerce may be necessary if it is to continue to encourage American investors to export dollars to that country.

On his part the junior Senator from Nevada would be unwilling to invest even the 70 cents asked by the Department of Commerce for its India booklet after reading the article which appeared in May 2, 1954, edition of the Washington Post headed "India Angrier Than Ever at United States," and stating: "Secretive Soviet criticized less."

I ask unanimous consent that this article be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SECRETIVE SOVIET CRITICIZED LESS—INDIA ANGRIER THAN EVER AT UNITED STATES (By Ian Fawcett)

NEW DELHI.—India now is more anti-America than at any time within memory.

India is angered by the recent American decision to grant arms aid to Pakistan, despite Indian objections. It is also angered by Washington's persistent refusal to recognize Communist China.

The feeling here is described as anti-America rather than anti-American, because individually Indians are as friendly toward Americans as ever. Indians like Americans, they admire American technical efficiency, and generally they are impressed by—although somewhat envious of—the American manner of living.

But they are opposed to almost every important aspect of present American foreign policy, and there is a wide feeling here that America, rather than Russia, might set off a third world war.

American representatives here are aware of these Indian attitudes and are endeavoring to explain the American attitude on world problems, to convince India that America is right and the Communists wrong. According to most neutral assessments here, they have so far been largely unsuccessful.

The fundamental approach of the American propaganda effort here is that the more Indians know about America and the Americans, the more they are likely to understand the American viewpoint.

The United States Information Service turns out thousands of words daily, mostly about American financial aid for India. About 20 percent of USIS bulletins are published in the Indian press, compared with about 1 percent of the comparable Russian output.

The problem here is that so few Indian villagers can read. They can, and do, grasp a fact such as American arms aid to Pakistan. They are less likely to appreciate the meaning of long-range American financial aid.

The fact that on April 1 four more agreements were signed, providing for an additional \$11 million in American aid for development projects in India, simply does not become common knowledge among the Indian people.

Newspapers print the facts, noting that the projects include modernization and expansion of India's marine and inland fisheries, the acquisition of 25,000 tons of iron and steel for agriculture, and the training of Indian farmers. But the news makes little impact on the great mass of the Indian population, and those who do grasp it do not seem to be very impressed.

As one American official explained, "The more we inform, the more we seem to be shot at."

Apart from the more personal issue of Pakistan arms aid, which has brought anti-America feeling to its present peak, the average Indian is normally more hostile toward American than to Russian foreign policy, according to one highly placed Indian, because he knows more about it.

"We know what America is thinking and doing, and since we don't like a lot of it, we are critical," he said. "In the case of Russia, we know less and, therefore, there is less criticism."

Many people here think that is why the casual visitor might get the impression that India is better disposed toward Russia than toward America.

India is certainly more angry with the United States than with Russia. In addition to the question of Pakistan arms and Communist China, India believes the United States wrong in continuing H-bomb tests. (Soviet H-bomb tests have not received nearly as much publicity here.)

And despite extensive counterpropaganda, India still believes America practices racial discrimination. On these particular points, Russia is believed right and America wrong.

In Delhi I heard an American ask an Indian, "Why don't I ever see any word criticizing Russia in the Indian press?"

The Indian replied: "Russian statesmen don't leave themselves as wide open as yours do. Also, one is always more willing to criticize those one knows well than those who are relatively strangers—particularly when the stranger is as close geographically as Russia or China and might actively resent criticism."

Accordingly, Russia does not have to pay much attention to answering criticism and can devote its propaganda to extending the influence of communism. And it has a ready-made machine in the Communist Party of India.

"We cannot expect to achieve the same results with a depleted United States Information Service, employing a few dozen people, as the Communist Party can through its reportedly 60,000 card members," a USIS man said. America can and does distribute books and films that are well circulated, but he added: "We have no agents who tell villagers what to read and see."

Mr. MALONE. Later we shall find an example of India's friendliness toward several companies which have made investments in India, but further examination should be given to the March 22, 1954, issue of Foreign Commerce Weekly, published by the Department of Commerce.

This issue also carries a very informative report on United States imports and exports in 1953. Of imports it states:

Among the expanding components of imports last year, the greater part of the rise in absolute terms was the increase in industrial materials closely linked to the high level of defense expenditures and civilian durable goods production in the United States.

Prominent in this advance were aluminum, copper, iron ore, ferro alloying materials, steel, and petroleum.

There was also a moderate increase in imports of foodstuffs. A larger volume of coffee at rising prices accounted for much of this, but other foodstuffs, including some fruits and nuts, alcoholic beverages, meat products, and sugar shared in the advance.

In addition a great variety of other imports was brought into the United States in response to the record level of income prevailing here, or in some cases as a result of more active sales promotion by importers or foreign producers. The diversity of these scattered gains, many of them in finished goods, is suggested by the following partial listing: Newsprint, fertilizer materials, sheet and plate glass, manufactures of wool, cotton and flax, electrical apparatus, watches, photographic goods, musical instruments, jewelry, and toys.

Mr. President, many of these commodities are clearly competitive with American products. Many are produced by low-wage peon, coolie, or sweatshop foreign labor. Imports of many of them have contributed directly to the decline in production and employment in many United States industries. Many of them constitute a very real threat to our national economy and security.

IMPORTS CUT UNITED STATES JOB ROLLS

Every ton of aluminum, copper, iron ore, ferroalloys, and steel, and every barrel of petroleum imported into the United States means lessened employment for Americans, smaller returns to American investors, and lessened domestic production.

Sheet and plate glass, wool, cotton, and flax manufactures, electrical apparatus, watches, photographic goods, musical instruments, jewelry, and toys imported into the United States at prices undercutting costs of American manufacture means less work and fewer jobs for Americans, and less revenues to the United States Treasury.

FOA HELPS FINANCE NEW LONDON HOTEL TO CATER TO UNITED STATES TRAVELERS

Let us now move into April. The first issue of that month banners, "President Adopts Randall Commission's Main Points in Foreign Economic Policy Message."

We then note that "British toy exports to United States set record," which must intrigue the American toy industry; that the foreign operations administration, "guarantees funds for hotel in London," and that the hotel "will cater primarily to United States travelers." This should add to the comfort and convenience of our diplomats on their missions to London to receive new economic or foreign policy advice.

We find that "German motor vehicle output rises," "Sterling area surplus raised by United States aid," and "prosperous year seen for Australia."

This is the issue which carries stories under headlines "Venezuela Sets 6-

Month Cotton Quota" and "Venezuela Restores Import Duties on Glass Ampoules" previously referred to, and we learn that Ecuador had increased duties on many items, including some automobiles.

"FOA Aids New Mineral Search in Philippines" is a headline to "United States Coal Exports Drop in February," and the junior Senator from Nevada assumes no further comment is needed on that subject.

The first article in the April 12 issue of Foreign Commerce Weekly is headed "United Kingdom Industrial Production at New Peak."

Three pages on we find that "Venezuela Plans New Industrial Plants," which proves that Department of Commerce advertising pays. The item continues:

Commodities to be produced in the proposed plants include chlorine, caustic soda, yeast, ethyl alcohol, butyl alcohol, alcohol butylacid, citric acid, lactic acid, carbonic acid, glycerins, plastics, and acetone.

Other articles are headed "India plans to make small automobiles," and "India to have new electronics factory," which again may demonstrate the value of advertising, although the automobile article also reports that General Motors and the Ford Motor Co. of Canada, Ltd. are preparing to close their Bombay assembly plants.

COSTA RICA UPS TARIFFS

Costa Rica increased tariffs effective April 1, we learn in the April 19 issue of Foreign Trade Weekly. Items on which duties were increased include "automobiles, electric refrigerators, washing machines, radios, cigarettes, whiskey, and so forth, including a wide variety of canned foodstuffs."

The report continues:

The domestic textile industry is given additional protection in the form of considerably increased import duties.

We learn also in this issue that "Mexico sharply increases duties on buttons," "Higher Peruvian tire, nail duties sought," and "Ethiopian coffee export duty up to US\$240 a ton." The investment in Venezuela ad has been moved back to page 23.

Mr. President we are coming almost to the close of our review of the interesting publication, Foreign Commerce Weekly, which, of course, is financed by American taxpayers. It is a very valuable publication, giving us, as it does, a factual report on developments in foreign aid and trade.

For example, in the April 26, 1954 issue we read that the Foreign Operations Administration is to contribute \$11 million toward the construction of a new river project in India. I am sure there are many river development projects in the United States that could use \$11 million of taxpayers' money, but apparently India is a special case. In the past 3 years we have poured \$183 million in foreign aid into India and been kicked in the shins for our gifts while India flirts with Communists.

Scanning the April 26 issue further I note that—

Honduras adds 8 import tariff items,
French raise customs taxes,

New British car made for North American trade,

Bolivia levies new tax on import permit applications.

We now come to the May 3 issue of Foreign Commerce Weekly, published by the Department of Commerce at taxpayers' expense.

The front page billboards five articles and its usual departments.

The articles, reading from top to bottom are:

Costa Rican duties up under new customs tariff.

Venezuelan domestic trade generally favorable.

Colombia places new tax on coffee exports.

Finland purchases more cars from Soviet bloc.

New harbor facilities planned at Goteborg.

The Venezuelan article, on page 3, reports that petroleum production "increased during the quarter to meet a better world demand for crude oil and other petroleum products. Crude-oil production was about 9 percent over the comparable period of 1953."

We also learn that construction of Venezuela's third tire-manufacturing plant was started in March, and that the \$4.5 million plant is owned by an American firm. Advertising, particularly when it is in the Foreign Commerce Weekly, pays.

Another headline reads, "Colombia Levies Coffee Export Tax," and a smaller headline, "Congo Duties Up on Coffee and Cacao, Off on Rubber," again referring to export duties. American consumers, of course, pay these higher rates, which foreign exporters necessarily must add to their markups.

We read also "Japan trade group officials to study cotton industry," "United States and Japan sign tax conventions," and "Shoe Retailers Association members to visit United States." The shoe dealers are due from Europe.

In small type on the third from the last page we also note this heading on a two-paragraph item:

Tariff Commission Postpones Hearing on Wood Screws.

On the next to the last page we come to "Investment in Colombia."

Mr. President, the junior Senator from Nevada is interested in investment in America, in the United States, not in investment in India, Venezuela, or Colombia. He is aware, however, that investment in the United States is very risky to the American investor.

FOREIGN INDUSTRY FLOURISHES ON FOREIGN AID WHILE UNITED STATES INDUSTRY SAGS

At any time the State Department can damage or ruin investments in America by encouraging, through trade concessions, loans, grants, and subsidies to foreign countries, and foreign dumping of foreign products in cutthroat competition against the products of American industry.

American investment in American industries and American industries themselves are discouraged while administrative departments coddle socialized and nationalized foreign industry and spurn every proposal of American free enterprise to safeguard domestic resources and production against unfair,

cutthroat competition. The result is that foreign industries are flourishing, foreign production zooming to new records, while industries and areas in the United States are confronted with increasing distress.

On several occasions recently the junior Senator from Nevada has discussed on the Senate floor the plight of the coal and textile industries and has contended that the only relief that these distressed industries and other distressed industries can obtain is for the Congress to permit the Trade Agreements Act of 1934, the act which has brought on their distress, and which expired on June 12, 1954, to remain expired.

FOREIGN SHIPBUILDING INDUSTRY AIDED WHILE SHIP CONSTRUCTION IN AMERICA SAGS

The May 10, 1954, issue of Foreign Commerce Weekly informs us:

The international bank for reconstruction and development has made its first loan, of \$25 million, to Norway, to help carry forward economic development. The expansion of Norway's merchant fleet is one of the most important parts of this development, and the loan will make available part of the foreign exchange needed for the purchase of merchant ships being built in foreign shipyards.

Mr. President, in this connection it might be remarked that the American Government and American interests have done very well by foreign shipyards.

The New York Journal of Commerce, in its issue of June 9, reports, in a dispatch from London, England:

With the laying of the keel recently at Birkenhead for the world's largest bauxite ore carrier, to be built for the Aluminum Company of America, financed new ship construction placed with foreign yards during the postwar period reached just short of \$1 billion. Actually the total is estimated at \$975 million, representing 279 new tankers, ore carriers, and cargo ships of 5,707,820 deadweight tons.

Further on the same article also reports:

While there has been a noticeable slackening during the past 18 months in the volume of contracts for new tonnage placed with foreign yards by United States and affiliated interests, due to the declining volume of international trade, end of the Korean war, and contraction of United States aid programs, foreign yards still have a backlog of over 2 million deadweight tons of such shipping which will require up to 2 years to complete.

This contrasts with reports received here—

Meaning London—

which indicate that American shipyards will shortly finish all their contracts for ocean ships with the result that several face early shutdowns.

To return to the Foreign Commerce Weekly, and its excellent world reportage, we read in this same May 10 issue that there is a bumper crop of coffee in Haiti, that New Zealand intends to license imports of United States and Canadian cars, that "Burma and Communist China agree to facilitate trade," and that "Indonesian restrictions on the import of some textiles are to be tightened."

The May 17, 1954, issue tells us that Costa Rica has a new tariff expected to increase its revenues 17 percent, that the United States has contributed \$11 million toward a new power project in India, and that Bermuda, home of the Bermuda onion, bans imports of onions from both the United States and Canada.

This May 17 issue, by the way, is to me one of the most interesting in recent weeks.

FOREIGN PRODUCTS FAIRS SCHEDULED FOR 35 AMERICAN CITIES

Under the head "Foreign Products To Be Featured in the United States," it reports as follows:

Foreign manufacturers of consumer goods will exhibit their products in special shows for the first time before millions of Americans when the State fair season opens in Chicago in August, the National Bureau of Fairs has announced. The bureau will conduct foreign products shows in leading State fairs, in cooperation with the international trade shows in New York. Initially the foreign exhibitors will be offered space in a limited number of fairs, but ultimately they will have the opportunity to display and sell in any of the more than 35 big fairs in the United States.

Mr. President, this will give the Nation's unemployed an opportunity, if they can gain admission to these fairs, to visit exhibits from foreign countries and view the foreign products brought into this country which have put them out of work.

Jobless textile workers may examine exhibits of foreign textiles.

Laid-off machine tool mechanics, glass and pottery craftsmen, electrical and chemical workers, and the unemployed of many other industries will be able to view items produced by competing foreign coolie or sweatshop labor earning 9 to 40 cents per hour.

It is not improbable also that there will be exhibits of foreign automobiles, some of them perhaps produced by Ford, Nash, or Studebaker, in their factories overseas. Our thousands of jobless automobile workers could visit these.

The aim of foreign exhibitors, of course, is to take over as much of the American market as possible, thus depriving more American workers of employment.

Their aim has been and is being forwarded by our proforeign trade policy, conceived under new-deal socialism, which first inaugurated free trade and near-free trade to give foreign manufacturers and foreign products an advantage over American goods in our own markets, and which later provided these same foreign industries billions in subsidies paid out of the pockets of American taxpayers.

Millions of these foreign aid subsidy dollars came out of the pockets of American workers and were used to subsidize the foreign competition which now has bumped them from their jobs.

The fruits of this misguided policy working against their interest will be put on display, as we stated before, at foreign-products shows in leading State fairs this fall, and, where, to quote Foreign Commerce Weekly, these foreign products will be featured.

JAPAN FEATURES PRODUCTS OPENS HOTEL TO UNITED STATES TRAVELERS

The same issue of Foreign Commerce Weekly also advises us that a Japan trade center has officially opened in New York. This will afford further visual education for our unemployed.

Japanese goods being displayed include textiles, ceramics, glassware, food-stuffs, chemicals, optical instruments, machinery, tools, hardware, jewelry, novelties, toys, artificial flowers, musical instruments, sporting goods, lacquer wares, bamboo wares, wooden wares, stationery and paper products, rugs, and sundries.

Imports of these Japanese products may enable many American workers in American industries to take extended, and perhaps permanent vacations, and for those who might like a vacation in Japan, the May 17 issue of Foreign Commerce Weekly announces "Fujiya Hotel to open for tourists in July."

The announcement reads in part:

The Fujiya Hotel at Miyanoshita, Hakone, Japan, which has been closed to the general public since World War II, again will offer its traditional facilities and services to tourists early in July.

There are four more paragraphs, but rates are not given.

Adjoining this important news, published by the Department of Commerce at taxpayers' expense, is a much longer article headed, "Secretary Weeks Directs Department To Assist in Stimulating Travel." What better way to comply with that direction, may I ask, than to announce that the Fujiya Hotel is to open for tourists in July?

TRADE WITH SOVIET BLOC ENCOURAGED BY FOA

The May 24 issue advises us "Colombia to control entry of iron, steel," that "Australia raises several duties," that "Peru raises duties on synthetic yarns," that "controls have been eased on exports to Hong Kong." On another page we find the conclusion of the Foreign Operations Administration that:

Nations of the free world can benefit from trade with the Soviet bloc if they work together as a team and refuse to be divided or deceived by Soviet trading aims.

Those arms are "to strengthen the bloc and to weaken the free-world powers."

In other words the counsel is, as the junior Senator from Nevada reads it, to go ahead and build up the war potential of the Soviet bloc, but in the meantime know that in so doing we are strengthening the Red bloc and weakening our free-world powers. What counsel, coming as it does from a Government agency, and presumably the head of that agency, could be more absurd?

The May 24 issue also carries the periodical Investment in Venezuela advertising.

The May 31, 1954, issue of Foreign Commerce Weekly reports that the Export-Import Bank has agreed to loan the Government of Afghanistan \$18,500,000 to assist it in developing what it calls a great irrigation and power project. This is but one of many loans or grants that have been made to foreign countries for such development.

In this connection, Mr. President, the International Bank for Reconstruction

and Development, in a release issued Friday, June 19, announced that it is loaning \$19,100,000 to Ceylon for construction of a new hydroelectric scheme in that distant British Commonwealth.

The major portion of the construction will be done, the release states, by foreign contractors under the supervision of British consulting engineers and Ceylon's electrical undertakings department.

ONE HUNDRED AND FOUR MILLION DOLLARS
APPROVED FOR FOREIGN POWER PROJECTS

Including the \$11 million project in India previously mentioned, this brings the amounts approved for power and irrigation projects in Europe, Africa, the Middle East, and Far East to approximately \$104 million, all granted by agencies outside of Congress.

If an American locality wishes Federal assistance in the development of irrigation, reclamation, power, flood control and navigation, either separately, or as a multi-purpose project, years must be spent in engineering surveys, the projects are subject to the most careful study and consideration by the Congress, and both congressional authorizations and appropriations must be approved.

In other words, Congress properly and appropriately examines carefully into the feasibility and desirability of the project before the taxpayer's money is invested in it.

This is the American way and many splendid projects contributing to our national wealth, strength, and prosperity have developed from it.

Congress has no voice whatever in the advancement of funds, either through gifts or loans, to foreign countries, no determination of feasibility or whether any benefits at all will derive to ourselves or even to the inhabitants of the foreign nations. It should be obvious also, to anyone with fair knowledge of geography, that many of these distant projects, built in part or in whole with American money, lie in the shadow of Red Russia, and in the path of possible future Red aggression.

The May 31 issue also reports that Danish exports to the United States are at a new high, totaling 276 million crowns—\$40 million—in 1953, of which one-third was from Danish hams shipped to this country.

Peru raised import duties on 57 paper products, and both Honduras and Guatemala increased coffee export taxes.

Soviet Russia and the Netherlands under their trade agreement have established new quotas on products they will ship to each other.

I ask unanimous consent that the article, "U. S. S. R.-Netherlands Pact Sets New Quotas" from the Foreign Commerce Weekly, issue of May 31, 1954, be placed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U. S. S. R.-NETHERLANDS PACT SETS NEW
QUOTAS

The principal items to be exported by the Netherlands to the U. S. S. R. under quotas newly established in the trade agreement between the two countries now extended to cover the calendar year 1954 are the following:

Three cargo vessels of 6,500 tons each, for delivery in 1955-56; 14 refrigerator vessels, delivery in 1955-56; 4 suction hopper dredges, delivery in 1955-56; 5 bucket dredges, delivery in 1954-55; 4 coal-bunkering vessels, delivery in 1955-56; 2 floating sheer legs, delivery in 1955.

Stable fiber, 2,000 metric tons; woolen piece goods, 600,000 meters; rayon piece goods, 800,000 meters.

Butter, 15,000 metric tons; animal fats, 5,000 metric tons; cocoa butter, 1,000 metric tons; meat, 10,000 metric tons; vegetable oils, 1,500 metric tons; cheese, 3,000 metric tons; salted herring, 15,000 metric tons.

Leather, 10 million guilders; sisal and manila rope, 500 metric tons; medicinals, 800,000 guilders; spices, 100 metric tons.

Ship repairs, 5 million guilders. (1 guilder equals about US\$0.263.)

Among the items Russia agrees to supply the Netherlands are:

Wheat, 60,000-120,000 metric tons; coarse grains, 50,000 metric tons; sawn timber, 210,000 cubic meters; pitprops, 40,000 cubic meters; plywood, 7,000 cubic meters; cellulose, 5,000 metric tons; anthracite, 50,000 metric tons; phosphates, 40,000 metric tons; coal-tar pitch, 25,000 metric tons; gas oil, 40,000 metric tons.

Manganese ore, 40,000 metric tons; chrome ore, 20,000 metric tons; ferromanganese, quantity to be determined; asbestos, 3,000 metric tons; motorcars, including spare parts, 350 pieces.

Raw cotton, 8,000 metric tons; furs, 10 million guilders.

Benzol, 4,000 metric tons; paraffin, 600 metric tons; manganese dioxide, 3,000 metric tons; naphthalene, 1,000 metric tons; turpentine oil, 700,000 guilders; gum rosin, 1,000 metric tons; dyestuffs, 200,000 guilders; essential oils, 500,000 guilders; animal hair, 150 metric tons.

Canned crabmeat and canned fish, 14,000 cases; sausage casings of animal origin, 400,000 bundles; tobacco, 200 metric tons; caviar, 2 metric tons; and vodka, 50,000 guilders.

The trade agreement was originally concluded on July 2, 1948, and the extension was signed on April 28, 1954, to be retroactive to the first of the year.

FIFTY-SEVEN NATIONS IMPOSE CONTROLS ON
IMPORTS FROM UNITED STATES

Mr. MALONE. Mr. President, the June 7, 1954, issue of Foreign Commerce Weekly carries a 2¼-page summary of foreign control regulations applying to imports from the United States. Of 85 countries listed, 57 require import licenses on all or most items imported from the United States, and 40 require an exchange permit from the Government before payment for the import can be made.

The foreign-trade program of the United States, Mr. President, has cost the taxpayers of the Nation billions of dollars to subsidize foreign industry and foreign commerce, has cost American mine and industrial workers jobs in the tens of hundreds of thousands, has lowered America's economic defenses, and helped foreign nations raise and increase barriers against the products of our shops and factories.

Proponents of the pro-foreign-trade policy contend that this policy has been necessary to strengthen the nations of the free world against communism. Whatever strength we may presume to have given them appears to fail and falter when any challenge is presented to them such as Korea.

Whatever these billions in gifts and grants and these sacrifices in jobs and

industries may have gained for us abroad, they have not diminished our own defense needs or costs one iota. We must today keep as many men under arms, and under arms in foreign lands, as we did when the so-called Marshall plan was adopted, when NATO was created, when our foreign aid was under the UNRRA label, the ECA label, the MSA label, and now the FOA label, all varying alphabetical combinations labeling the same foreign give-away program.

FOREIGN-AID BILLIONS WOULD HAVE BUILT
IMPREGNABLE AIRPOWER

The \$50 billion that Congress has voted in foreign aid since the war could have built airpower that would have made this Nation as invulnerable as any nation in this atomic age can ever hope to be.

It would have built, had it been spent at home instead of frittered away on phantom foreign forces, such mighty defenses that our soldiers overseas would have been brought home without fear or hesitation to contribute to our national economy, our productive capacity, and to the advancement of their own careers.

The Trade Agreements Act of 1934 has now expired. It should not be extended or renewed.

Expiration serves notice on foreign nations which have increased tariffs, imposed drastic quota restrictions, manipulated their exchange against us and raised sky-high barriers against American products, as I have detailed in these remarks, that foreign trade can be a two-way street instead of the blind alley it is today, open on our end but closed on theirs.

It serves notice on them that in return for equal access to our markets, American products must have equal access to their markets, access that we do not have now.

It returns our commerce to the basis of fair and equal competition, both to be given and received.

And when foreign nations learn that to enjoy our markets we must have some measure of access to theirs, then we will have honest trade and fair exchange of products between the nations.

Fair and equitable tariff adjustments will then be made by the Tariff Commission, taking into consideration fairness and equity on their part as well as being fair and equitable ourselves.

This will assure greater access of American products to the markets of the nations that enjoy full access to ours, and end our policy of wooing our good neighbors with our treasure only to have their gates of commerce slammed against us.

Mr. President, we are today living in a house built half on the quicksands of free trade for industry, and half on the firm foundation of farm supports and parity.

PROTECTIVE ROOF SHIELDS FARM PRODUCTS WHILE
INDUSTRY EXPOSED

Over the farm side there is a protective roof against economic cloudbursts of foreign agricultural commodities, while the industry side is open to every erosive or corrosive foreign element.

Should the structural weaknesses on

the industry side, weaknesses built in by the Trade Agreements Act of 1934, bring failure and disintegration to that side, our whole house will collapse, and no props of farm protection will be able to withstand it.

What landlord or manager of this great mansion—and Congress is the landlord—would knowingly permit the expenditures of billions of dollars each year to strengthen and repair the strong side of his house while leaving the weak side open to every foreign-trade prowler or free-trade vandal?

Inconceivable as it may seem that is precisely what the Congress, as landlord for the past 22 years, has done, and what some Members of the present Congress propose to do now.

CONSTITUTION ASSURED AMERICA'S VAST RICHES

Our hallowed Constitution, Mr. President, invested Congress with proprietorship over the richest property in the world, the United States of America.

It was likewise, until the Trade Agreements Act was passed in 1934, the greatest investment property in the world. Its earnings are still the highest in the world. The debt on this property, in 1934 when the Trade Agreements Act was passed, was insignificant, a mere \$27,-743,947,042.62. Today it is \$273,076,-838,379.18.

Taxes which we pay as rent were low in 1934, today they are as high as we, the landlords, dare to put them, and the maximum that people can bear and still buy fuel, food, and clothing.

There were some structural defects, and serious defects in this magnificent mansion that is America back in 1934.

The agricultural side then had no more protection than the industrial side has now. The industrial side then had a few storm windows, a few locks to keep out excessive foreign dumping and a few tariff shingles on the roof to safeguard it from being flooded by low-wage, low-tax coolie, peon and sweatshop foreign labor.

But the farm side was a shambles and the whole structure tottered. Remodeling was necessary and it was done.

Protective props were provided on the agricultural side of the house that is America. Extended credit was extended in the billions, farmers were declared entitled to fair prices.

AGRICULTURE STRENGTHENED, INDUSTRY WEAKENED

Certain agriculturists, the woolgrowers for example, were left out in the cold, but in the main one side of the house was strengthened, while the other side, the industrial side was vastly weakened. Windows and roof were removed, screens tossed on the trash heap, foundations blasted away, and the keys to industry's side of our economic structure tossed to every foreign vagrant who wished to move in or take over.

It is that way today and will be that way as long as the Trade Agreements Act of 1934 is allowed to stand.

To extend the act means continued gross discrimination against our manufacturing and resource industries, workmen, investors, and taxpayers, and

continued favoritism to their foreign competitors.

To extend the act means eventual collapse of our economic structure because unprotected industry cannot forever bear the costs of supporting price-protected agriculture.

A protected industry can and gladly will bear the costs of a constructive farm program, and spared the risks of liquidation by foreign competition, not only will bear them but lower them by becoming a better market for domestic farm commodities.

This Nation, Mr. President, deserves a balanced economy, and unless our economy is balanced we may, in a very few years, have no economy at all able to support farm prices, farm credit, or farm parity.

ALL PRODUCERS WORTHY OF THEIR REWARD

The junior Senator from Nevada has long held to the conviction that producers, whether their product be industrial or agricultural, are worthy of a reward for their enterprise and toil in competition with like producers paying the same wages and taxes, but they cannot compete with sweatshop labor unless subsidies are paid.

To get away from the subsidy, the amendment offered by me today would provide a flexible import fee or duty to be invoked, which would make up the difference between the wage standard of living and taxes and other costs involved in doing business here and abroad.

The junior Senator from Nevada supports the principle of fair and reasonable protection for the products of both farm and factory against unfair foreign competition.

The workshops of America must be free from cut-throat, cut-rate foreign invasion which can be established on the principle of flexible duties or tariffs established on the basis of fair and reasonable competition.

It is in that belief that the junior Senator from Nevada opposes any extension of the Trade Agreements Act, which for 22 years has been an open invitation to foreign competitors to move in on our industries, payrolls, and markets without payment of tax rent or wage rent that every American has to pay.

To paraphrase a famous advertising slogan we can't be half safe and hope to have any economic safety at all. No one wants a high tariff or low tariff, but let it represent the difference in the wages and taxes here and abroad.

A vote not to extend the Trade Agreements Act does not repeal or cancel any existing Trade Agreements Act.

These agreements continue until the president shall serve 6 months' notice of cancellation on the nation with which such agreement has been made.

Tariff adjustment made following cancellation of agreements or on products not covered by agreements would be determined by the Tariff Commission, an agent of Congress, on the basis of fair and reasonable competition with imports from the principal competing country.

CONSTITUTIONAL SAFEGUARDS MUST BE RESTORED

Thus article I, section 8, of the Constitution which provides that the Con-

gress of the United States shall levy duties, imposts, and excises—meaning tariffs—and that the Congress shall regulate foreign commerce would be restored.

Agriculture would have the same benefits and safeguards it has now.

Industry would have restored to it the safeguards that were taken away from it by the Trade Agreements Act of 1934.

Equality for the two major segments of our national economy would be restored and America again would be economically united.

Mr. President, price protection for the farmer, and the complete stripping of cost protection from other industries, however legal, are incompatible.

Looking back, it is not surprising to me that New Dealers, some of whom we know now to have been members of Communist cells, should have sought, during the early thirties, to tear down our industrial security while strengthening our domestic agriculture.

America's farm products offer neither a boon nor threat to the Soviet bloc. Food is not considered by military minds as a war potential, although the junior Senator from Nevada personally differs from that position and considers food a priceless military resource.

STRONG AMERICAN INDUSTRY GREATEST DETERRENT TO SOVIET THREAT

America's industrial might constitutes the greatest deterrent in the world today to the eternal Soviet dream of world conquest.

The junior Senator from Nevada has presented evidence that the Soviet agent, Harry Dexter White, as Assistant Secretary of the Treasury, recommended the procurement of certain metals and minerals from abroad, and particularly from Soviet Russia, counsel that could have been designed to weaken our industrial strength as it indubitably did weaken our industrial potential.

It is not inconceivable to the junior Senator from Nevada that the program to stifle industry by foreign imports while protecting agriculture against foreign imports, received support from those in New Deal agricultural agencies—and Treasury and State Departments who have since been convicted, or have confessed, or have been branded in official testimony as active Communists.

CONSTRUCTIVE FARM PROGRAM DEVELOPED AS INDUSTRY HIT BY FOREIGN TRADE

Mr. President, in this connection I shall review briefly the development of our farm program which I have consistently supported and which I support now.

I do this in no criticism of the farm program, but to point up the great contrast between it and the trade agreements program, adopted at about the same time, which had as its objective the removal of protection from manufacturing and resource industries, in other words an objective exactly the opposite of that of the farm program. One sought to build up, and I support it. One sought to tear down, and I oppose it, and am opposing its extension on the floor today.

The trade agreements program is a tear-down program.

PROOF THAT PARITY IS THE "PROTECTIVE-TARIFF PRICE" FOR FARM PRODUCTS

The basis of agricultural adjustment legislation, first enacted in 1933, is to adjust in a decreed ratio, the purchasing power of farm products to that of non-farm products, according to the buying habits of the farm population for such articles.

In 1932 market prices gave to farm products a purchasing power, with respect to the nonfarm articles, 42 percent below that of 1909-14, the ratio period selected by the agriculturalists.

PARITY VERSUS DISPARITY

The agriculturalists contended that the basic factor in this "disparity" was the system whereby prices of farm commodities—wheat and cotton—were established in a free world market at Liverpool, while prices of manufactures bought by farmers were established in a protected domestic market.

A Montana wheat king stated the case for the agriculturalists, fully and succinctly, in the New York Herald Tribune March 12, 1933, when he said:

It is absolutely necessary that the present session of Congress pass some type of sound legislation whereby the producer of farm products can get tariff protection on the portion of his commodity which he sells in the home market, the same as manufacturers of all other commodities enjoy. Many plans have been proposed—last and most popular now the domestic allotment plan. The plan provides a means of making the tariff effective on the portion of the crop sold in the United States by reducing production, and rewarding those who agree to restrict by giving them an extra amount provided by a tax equal to the tariff on a certain portion of their crop.

Two months later, in May 1933, the AAA was passed, not only did it make the tariff effective on the domestic consumption but also on the crop for export. It removed wheat and cotton from the influences of the free price of a world market and decreed for wheat and cotton, as of May 1933, prices 150 percent above the current world market prices. To implement this legislation for "equalizing" the farm entrepreneur's prices with those of the industrialist's "tariff-protected" prices, production was reduced, a tax levied to the amount of the difference between the market price and "parity" price, and the money paid to the cooperating farm operator.

AMERICAN SYSTEM APPLIED TO AGRICULTURE

Thus Henry Clay's "American system," the basic Whig-Republican protectionist policy, was applied 100 percent, by legislation, to agriculture.

Clay's "American system" was that the urban, laboring classes of the United States shall be paid high wages, under the protection of tariffs, and that the American farmer shall have a monopoly in this domestic market of highly-paid, prosperous consumers.

AAA went one great step beyond Clay—it gave up foreign markets, priced the American farmer, deliberately and by his urging, out of world markets in order that not only should he have the American market to himself but should have it at prices which, by his selection

and decree of Congress, gave his products the same tariff benefits of manufactures.

TRADE ACT DESIGNED TO CRIPPLE INDUSTRY

But, having thus created "protective-tariff" prices for the farm operators, the New Deal, through its liberals and internationalists, embarked upon a program to destroy the tariff protection being accorded to manufactures. The vehicle for doing this was the Trade Agreements Act.

From the time of the enactment of parity protection for agriculture and the abandonment of world markets and world prices for the full American market at parity protection prices, until America's entry into the war—that is, between 1933 and 1947—the prices of the American farmer's commodities rose 97 percent as against an increase of only 3 percent in the prices of the goods and services of other American producers. And, by the end of the war, the year 1945, the prices of farm commodities, under the parity laws with their protective tariff base, had increased 260 percent since 1933, whereas the prices of the goods and services of the urban producers had increased but 55 percent since 1933.

And, Mr. President, those figures refute any man who says that, since 1933 and as of today, it has been rising prices of manufactures and services that has resulted in the continuous increase in the costs of the necessities of living, the basic farm commodities, for the 140 million urban consumers of the United States.

Let no Member from agricultural States, and I am a Member from an agricultural State, forget that the laws by which this parity-protective price was instituted required, as of 1933, an increase of 200 percent in the current market price of wheat and cotton—without any corresponding increase whatever in the prices of goods and services produced and offered by the people and workers of the cities.

Today the same or similar forces are trying to sell the American farmer the proposition that he can retain the full American market at protective tariff prices for his products while the products of the laboring and working classes are stripped of tariff protection and their domestic market—in which the farmer is an ever-lessening factor—is thrown open to the products of the slave-wage and low-wage producers of Europe, Asia, and Africa.

Since 1932, prices for farm products have increased 385 percent.

The American consumer pays these prices, both for himself and for the giveaway abroad, during and after the war.

The American consumer is the American workingman, outside of agriculture. And to pay these prices he has only his wages.

So, since 1932, the wages in manufactures have increased from \$17 a week to \$65 a week or 382 percent, almost exactly the same as the increase in the prices of basic farm commodities, the necessities of the workingman's existence.

Today, on the will-o-the-wisp, completely disproved in 1919-25, that he can

keep his war markets, the American planter and wheatgrower is being propagandized into destroying the purchasing power of the American consumer in exchange for the ghost of potential foreign markets which are rapidly disappearing.

ECONOMIC STABILITY MUST BE PROVIDED BOTH FARMER AND WAGE EARNER

Thus the American farmer is being propagandized into returning to his position of 1932, to give up parity, and depend on world prices and on consumers getting world wages.

If and when, by legislation or by fiat, the product of the glassblower or textile worker is not to have a tariff-protected price to maintain his standard of consumption of farm commodities—then parity is completely illogical, however much it may be needed and the cotton farmer or wheat farmer ultimately will lose his fariff-protected price. No more than the farmer of 1932, much less in fact, may the workingman of 1954 be compelled to sell his services in a world market while buying the necessities of existence in a parity-protective market of the American farmer.

Mr. President, economic stability has been provided agriculture and economic stability has been taken away from mining and manufacturing, both by the Congress.

THE PRESIDING OFFICER (Mr. Upton in the chair). The Chair regrets to remind the Senator from Nevada that his time has expired.

Mr. JOHNSON of Texas. Mr. President, I yield 15 minutes to the distinguished Senator from Nevada.

Mr. MALONE. I thank the Senator from Texas.

TRADE ACT EXTENSION WILL FURTHER INJURE INDUSTRY

Mr. President, economic stability was denied industry by the Trade Agreements Act of 1934. In the exercise of this act the State Department has pitifully weakened industry's defenses, and proposed extension of this act is designed to shatter these defenses further.

I shall review briefly the programs to protect the economic security of agriculture which exist today.

The Agricultural Act of 1949 requires price support for the basic and designated nonbasic commodities. It permits support for any agricultural commodity. In addition, the law authorizes acreage allotments and marketing quotas for the basic commodities under certain conditions. The circumstances under which import restrictions can be imposed in connection with price-support programs are specified by law.

I ask unanimous consent to have placed in the RECORD at this point in my remarks a list of commodities on which Commodity Credit Corporation price-support programs are in effect.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AGRICULTURAL COMMODITIES FOR WHICH CCC PRICE-SUPPORT PROGRAMS UNDER THE AGRICULTURAL ACT OF 1949, AS AMENDED, WERE IN EFFECT IN 1953

Basic commodities: Wheat, corn, cotton (upland, extra long staple), peanuts, rice, tobacco (flue-cured, fire-cured, burley, Mary-

land, dark air-cured, sun-cured, Puerto Rican).

Designated nonbasic commodities: Butterfat, manufacturing milk, wool, mohair, honey, tung nuts.

Other commodities: Barley, oats, rye, grain sorghums, flaxseed, soybeans, dry edible beans, cottonseed, crude pine gum, winter cover crop seed.

Agricultural commodities for which acreage allotments and marketing quotas are in effect under the Agricultural Adjustment Act of 1938

	1953 crop	1954 crop
Cotton.....		Marketing quotas and acreage allotments.
Corn.....		Acreage allotments.
Wheat.....		Marketing quotas and acreage allotments.
Rice.....		
Peanuts.....	Marketing quotas and acreage allotments.	Do.
Tobacco:		
Burley.....	do.....	Do.
Flue-cured.....	do.....	Do.
Fire-cured.....	do.....	Do.
Dark air-cured.....	do.....	Do.
Virginia sun-cured.....	do.....	Do.
Cigar filler and binder (type 42-55).	do.....	Do.
Maryland type 33.....	do.....	Rejected by growers.
Pennsylvania seedleaf type 41.	Rejected by growers.	Do.

Mr. MALONE. Mr. President, I also ask unanimous consent to have placed in the RECORD a list of farm commodities for which section 22 import restrictions are in effect.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AGRICULTURAL COMMODITIES AND PRODUCTS THEREOF FOR WHICH IMPORT CONTROLS ARE IN EFFECT UNDER SECTION 22 OF THE AGRICULTURAL ADJUSTMENTS ACT, AS AMENDED

Cotton (long staple, short staple, harsh) and cotton waste, wheat and wheat products, shelled almonds, oats, flaxseed (including linseed oil), peanuts (including peanut oil).

Dairy products: Butter, dried whole milk, dried buttermilk, dried cream, dried skim milk, malted milk, Cheddar cheese, Edam and Gouda cheese, blue mold cheese, Italian-type cheese.

Mr. MALONE. Mr. President, in addition to the Commodity Credit Corporation price-support programs, there are certain other programs which are designed to provide some measure of price assistance to producers of agricultural products. Two major types of such programs are marketing agreement and order programs and section 32 programs.

I ask unanimous consent that a list of the market agreement and order programs also be placed in the RECORD at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

AGRICULTURAL COMMODITIES FOR WHICH MARKETING AND AGREEMENT ORDER PROGRAMS UNDER THE AGRICULTURAL MARKETING AGREEMENT ACT OF 1937, AS AMENDED, ARE IN EFFECT

Fluid milk orders in 49 areas; type 62 tobacco; grapefruit (California-Arizona); lemons (California-Arizona); grapefruit, oranges, tangerines (Florida); oranges, navel (California-Arizona); Tokay grapes (California); peaches (Colorado); peaches (Georgia); peaches (Utah); Bartlett pears, plums, and Elberta peaches (California); Burren hardy pears (California); winter pears (Oregon, Washington, California);

Mr. MALONE. Mr. President, I now ask unanimous consent to have placed in the RECORD at this point in my remarks a list indicating the commodities on which marketing quotas are in effect for 1954.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

dried prunes (California); raisins (California).

Fresh peas and cauliflower (Colorado), potatoes (Idaho and Oregon), potatoes (Colorado), potatoes (Oregon and California), potatoes (North Carolina and Virginia), potatoes (eastern South Dakota), potatoes (Massachusetts, Rhode Island, Connecticut, New Hampshire, Vermont), potatoes (Washington), filberts (Oregon and Washington), pecans (California), pecans (Georgia, Alabama, South Carolina, Florida, Mississippi), walnuts (California, Oregon, Washington).

Section 32 provides that 30 percent of customs revenues shall be made available to the Department of Agriculture to be used to encourage exports of agricultural commodities and to encourage domestic consumption. Purchase and donation programs under section 32 are in effect for the following commodities: Fresh winter pears, pecans, canned cranberry sauce, beef, butter, Cheddar cheese, nonfat dry milk solids, cottonseed oil.

Export-payment programs under section 32 are in effect for citrus fruits, raisins, and fresh pears.

The Sugar Act provides a mechanism for increasing returns to domestic producers of sugar beets and mainland and territorial producers of sugarcane. The act provides for limitation of imports, payments to producers, and when necessary quotas and allotments on domestic production of sugarcane and sugar beets.

Mr. MALONE. Mr. President, there are also further programs for the protection of our agricultural economy while leaving the economy of our resources and manufacturing industries naked and exposed to ruthless, cutthroat, and unfair foreign competition.

FOA HAS ACTIVE FARM-PRODUCT PROGRAM

The economic-aid program, for example, administered by the Foreign Operations Administration, includes, among other things, grants of funds to foreign countries to be used for the purchase of United States agricultural products. That agency also administers a number of foreign-relief programs which involve United States agricultural products.

The Foreign Operations Administration also administers legislation which

provides for the sale of United States agricultural products under certain circumstances for foreign currencies.

Under the terms of the International Wheat Agreement, this Government paid a subsidy amounting to the difference between wheat prices in the United States and wheat prices under the agreement.

The Commodity Credit Corporation also has a program which involves making wheat available for export outside the wheat agreement on the same terms as for wheat exported under the agreement.

The Commodity Credit Corporation has sold for export certain quantities of commodities acquired under price support programs. Most of these sales have been made at prices somewhat lower than domestic market levels. These sales for export were made primarily to dispose of the commodities without interference with domestic markets.

Mr. President, the information and material I have cited above was supplied me, at my request, by the Department of Agriculture which is doing a splendid job in administering the protective program authorized by Congress for our great and thriving agriculture industry.

Do the advocates of free trade for all other industries want to apply their theories to agriculture? Do they want to cut the support, credit and conservation programs that protect agriculture 15 percent as they want to cut such few tariffs as remain to provide token safeguards for industry?

Of course not. They want agriculture to enjoy the full American market, and they want industry to give up huge segments of the American market to foreign competition.

They want economic protection for the farm but are willing that economic disaster face the manufacturing and resource industries of America.

This brings us to the national interest about which free traders talk so much.

NATIONAL INTEREST REQUIRES SAFEGUARDS TO INDUSTRY AND WORKINGMEN

If it is in the national interest to preserve the agricultural economy—and the junior Senator from Nevada contends it is—it also is in the national interest to protect the economy of our resources and manufacturing industries.

Mr. President, the workers in our factories who have no protection for their products in our markets, are helping to pay, through their taxes, for the economic protection of their friends, the farmers.

The wage earners of industry can do that and continue to keep on doing that so long as they are employed.

Today several million of them are unemployed. Unemployed industrial workers can neither contribute to the price supports that protect the products of our farms nor acquire the products the Government now has in surplus storage.

Mr. President, I am advised that this includes enough wheat to provide every wage earning family in America 1,400 loaves, enough cotton to make 117 cotton shirts or 91 cotton house dresses, enough pork to give each family a 6 months' sup-

ply, and enough butter to last every family 3 months.

The unprotected industrial workers of America have helped contribute, through their taxes, to the \$6½ billion invested in these commodities, but their contributions must decline as free trade imports bump them from their jobs.

If for no other reason, Mr. President, than to maintain and support our farm program, tariffs should be restored for industrial products on the basis of fair and reasonable competition with the principal competing foreign nation, giving American producers equal access to our own markets.

Mr. President, in closing, I wish to refer again to my proposed amendment which was submitted on February 23, 1954, which would create authority for 4 Cabinet officers and 1 member of the Tariff Commission to arrange and to apply duties and tariffs, on a basis of fair and reasonable competition, to the list of agricultural commodities designated by this authority.

The American market is the most prized and richest in the world. Let the products of foreign nations into it on a fair and equal basis, but let us not deny our own markets to our own resources products and producers as we have been doing under the Trade Agreements Act of 1934.

During the delivery of Mr. MALONE'S speech,

Mrs. BOWRING. Mr. President, will the Senator yield?

Mr. MALONE. I shall be very happy to yield to the distinguished Senator from Nebraska, with the understanding that the remainder of the time allotted to me will be utilized later, at the completion of her address, and will not be diminished in any way; and also that I may retain my right to the floor.

Mr. BUSH. Mr. President, I ask unanimous consent that the Senator from Nevada, without losing his right to the floor, may yield 15 minutes, or approximately that length of time, to the Senator from Nebraska.

Mr. MALONE. Mr. President, I ask unanimous consent that the remarks of the distinguished Senator from Nebraska may appear at the conclusion of my address.

The PRESIDING OFFICER (Mr. SCHOEPPPEL in the chair). Does the distinguished Senator from Nebraska desire an allotment of 15 minutes?

Mr. BUSH. It is my understanding that that is in accordance with an informal agreement.

Mrs. BOWRING. Approximately 15 minutes.

Mr. HOLLAND. Mr. President, I understand that the distinguished Senator from Nebraska is about to make her maiden speech. I should be very happy to suggest the absence of a quorum, because I know there are other Senators who would wish to be on the floor while the Senator from Nebraska is addressing the Senate.

Mr. BUSH. Mr. President, I remind the Senator from Florida that the Senate is operating under a unanimous-consent agreement, in which the time is controlled. I wonder whether the absence of a quorum should be suggested.

Mr. HOLLAND. Mr. President, I ask unanimous consent that, in connection with the quorum call, the time be charged to neither side.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. HOLLAND. I now suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUSH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, I am authorized to yield to the Senator from Nebraska [Mrs. BOWRING] 15 minutes from the time of the Senator from Colorado [Mr. MILLIKIN] on the pending question.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

THE PRICE-SUPPORT PROGRAM

Mrs. BOWRING. Mr. President, I should like to express my thanks to the Senator from Nevada [Mr. MALONE], who has so courteously yielded to me at this time with the understanding that the remarks I am about to make will appear in the RECORD at the conclusion of his address. I should also like to express at this time my thanks to other Members of the Senate and to the entire membership of this body for being so courteous to me during the time I have served in the Senate.

Since April 26, when I took the oath as a Member of this distinguished body, I have, notwithstanding my womanly instincts, attempted to observe and abide by the unwritten rule that so very junior a Senator should be bound to an appropriate period of silence. This is, indeed, a rule not without merit. For the past 2 months I have been impressed with the fact that there is often more to be gained by listening than by rising to take the floor.

At this time, however, I feel impelled to break my own period of silence and attempt, if you please, Mr. President, to deliver what may be called my maiden speech as a United States Senator. I ask the indulgence of my colleagues on this occasion, for I feel that the hour is crucial, and that the circumstances demand that I make my position known.

This morning the Senate Committee on Agriculture and Forestry voted 8 to 7 in favor of a 1-year extension of rigid 90-percent price supports for all basic farm commodities except tobacco, which is otherwise provided for. Therefore, at this time I wish to put myself on record as one of those who believe that our courageous Secretary of Agriculture, the Honorable Ezra Benson, and our distinguished President, Dwight D. Eisenhower, have correctly analyzed the agricultural problem of the United States, and are right in the agricultural program which they have recommended to this Congress.

Upon the shoulders of this Congress, and of each Member individually, rests a tremendous responsibility to provide for the Nation and for our farming population a legislative program that will permit and encourage the business of farming on a continuing sound and profitable basis.

Both before and since assuming my duties in the Senate, I have publicly stated that those among us who are willing to stand up and be counted on any given issue are best serving the public interest, to say nothing of serving their own consciences.

Therefore, I voluntarily say at this time that I, for one, am supporting the new farm program proposed by President Eisenhower. I say this after the best study I have been able to give to the subject, and in the conviction that it will bring more prosperity to American farmers and will best serve the future of the Nation and its agriculture.

A flexible price-support program will cushion farmers against wide breaks in the market on basic farm commodities. At the same time, it will permit supply and demand to function sufficiently to influence shifts in agricultural production. In due time such shifts certainly should help control surpluses, as well as add stability to prices.

Actually, the much maligned law of supply and demand does affect the market on agricultural products, notwithstanding all that Government has done or can try to do. When rigid supports are imposed without accompanying methods of getting rid of surpluses, the Government stockpile grows higher and higher. The proof of this exists in the bulging Government warehouses today across the length and breadth of the land. And as the surpluses grow, we, whose livelihood depends upon agriculture, sink deeper into an evertightening net of Government controls. We can will it otherwise, but we cannot escape from these shackles of our own fashioning.

The President's farm program calls for a gradual change from rigid price supports. I repeat, the change would be gradual. Such a program will encourage the development of a balanced agricultural economy; it will encourage better farm management; and the interests of the individual farm producer will be better served, at a great saving in the taxpayers' money.

Flexible price supports will affect all farmers alike, and I believe they offer a bright hope of recapturing some of our lost markets at home and abroad.

Under present laws, farm production is needlessly cut back and restricted, in order to maintain abnormal prices. Operation of this program tends to destroy or weaken the consumer demand and to affect detrimentally national prosperity on which farm prosperity depends.

Huge surpluses of food continue to pile up in warehouses. It is estimated that our carryover of corn next October will be 950 million bushels—more than double what it was 2 years earlier. This increase, had it been consumed as feed, would have resulted in only from 2 to 3 percent more meat and eggs.

ing June 30, 1955, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 6 and 9 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 2, 5, 13, 18, 19, 22, 28, and 35 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

Mr. HENDRICKSON. Mr. President, I suggest the absence of a quorum.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

THE PRESIDING OFFICER. The Senator will state it.

Mr. JOHNSON of Texas. Are we not operating under a unanimous-consent agreement as to the division of time?

THE PRESIDING OFFICER. That is correct.

Mr. HENDRICKSON. Mr. President, I withdraw my suggestion of the absence of a quorum.

Mr. GORE. Mr. President, I yield 8 minutes to the junior Senator from New York [Mr. LEHMAN].

THE PRESIDING OFFICER. The Senator from New York may proceed.

Mr. LEHMAN. Mr. President, I speak in support of the amendments in the nature of a substitute offered by the distinguished junior Senator from Tennessee [Mr. GORE] and cosponsored by other Senators. I was very much pleased to join in sponsoring the amendments which, if adopted, would serve notice that we intend to carry on and extend our historic policy of peace through trade, or breaking down the barriers to world trade, the policy pioneered a great many years ago by that great statesman from Tennessee—a great Member of the House, a great Senator, and a great Secretary of State—Cordell Hull.

It is a happy coincidence that the leadership in this important move today has been taken by the junior Senator from Tennessee. He is following in great footsteps. I am sure he is aware of the tradition. Cordell Hull was a member of the Ways and Means Committee of the House and of the Finance Committee in the Senate. Tirelessly for many years he advocated the reciprocal trade agreement program. Finally, as Secretary of State under Franklin D. Roosevelt, Cordell Hull had the opportunity to initiate and carry out that program. It was one of the greatest contributions to peace ever made. And today ALBERT GORE is carrying on in that tradition.

Mr. President, I do not favor a 1-year extension of the Reciprocal Trade Agreements Act. This is no solution to the mighty challenge of our times. Such an extension would provide evidence to our allies in the free world that we are insincere in our advocacy of "trade not aid," and that we are willing to pay only

lip service to it—the tribute of a slogan, but without substance or conviction.

Last year the Republican administration and Congress delayed taking definitive action on an international trade program. It was argued that time was needed for the new administration to study and familiarize itself with the problems involved in international trade policy. So Congress and the American people marked time by enacting a simple 1-year extension of the Reciprocal Trade Agreements Act. This means doing nothing. The fact is that no new trade agreements were negotiated. The United States Government turned its back on the reciprocal trade program while pretending to affirm it.

During the past year Russian and Red Chinese trade overtures to the nations of the free world have met with alarming success. We can hardly read a newspaper without finding a report of a new trade delegation proceeding to Moscow or Peking, or of a new trade agreement having been reached between an Iron Curtain country and a nation of the free world.

Already Red China has concluded trade agreements with 13 of our allies, and Russia with 15. Both Red nations are moving relentlessly to broaden the scope and to step up the tempo of trade with our allies who for years have been our chief customers and suppliers. The Communist nations are driving hard to take over our foreign markets and to leave us with huge unsalable surpluses. But to sell our products we must buy the products of others. Trade cannot be a 1-way street or a 2-way street. It must be on a multilateral basis.

But instead of actively promoting world trade, instead of moving ahead with measures to expand trade, we have done nothing. Now it is proposed that we continue to do nothing. Mr. President, I disagree violently with this doing-nothing trade philosophy. We are a producing Nation. We must find markets for our surplus agricultural and industrial products. There is no argument on this point. We must establish and maintain outlets for our surpluses. We must either give them away or we must provide the wherewithal for other nations to buy in our markets. We must be customers as well as sellers. If we do not follow either of these courses, our economy will stagnate. Unemployment will continue to rise, and an unmanageable overflow of surpluses will glut the economic life of our Nation.

President Eisenhower submitted the Randall report on March 30, 1954. The report asked for a cautious liberalization of our international trade policies. The Randall Commission recommended a 3-year extension of the reciprocal trade program with authority to reduce tariffs on selected commodities not more than 5 percent a year. The President called this program a minimum which he considered essential, and warned that if we fail in our trade policy we may fail in all.

What has been the resulting action? Days and weeks passed, and no legislation was submitted to Congress. Finally—and I might add with impressive

speed following the brilliant attack on this whole problem by the junior Senator from Tennessee—the administration made its move. Out from the House Ways and Means Committee—ahead of social security revision—ahead of the tax bill—came again a proposal for a 1-year extension of the Reciprocal Trade Agreements Act.

In great haste that bill passed the House, was cleared by the Senate Finance Committee, and is now before the Senate.

Why this haste for a simple 1-year extension—a bill that does nothing but mark time, that neglects the President's recommendations and pays rather obvious lip service to the ideal of free trade?

We are, Mr. President, putting our allies on notice that for another year our customers abroad must wonder what our long-range trade policy is to be. It means that trade offers from the Soviet Union and Red China will seem more and more attractive in the face of the absence of an affirmative trade policy on the part of the United States.

Mr. President, we have heard alarmist charges to the effect that we must investigate the trade our allies are conducting with Iron Curtain countries. We are quick to condemn our allies for trading with Red China and other Communist countries. I respectfully suggest to those Members of the Senate who have so loudly clamored on this issue, that here is a chance to vote for a United States trade policy which will contribute positively to a decrease in trade with the Iron Curtain countries. Let us give our allies a chance to trade with us. We cannot adopt a dog-in-the-manger attitude and say, "You can't trade with us, except to buy surpluses, but we don't want you to trade with Russia either."

Those who support this position—the junior Senator from Wisconsin [Mr. McCARTHY] among others—now face a real test of their sincerity. I hope they will join with us in adopting the amendments in the nature of a substitute. Here is a realistic and practical opportunity to do something about our deteriorating international trade position, and, at the same time, to strike a major blow at Communist penetration through trade.

I very much hope that the amendments in the nature of a substitute, offered by the junior Senator from Tennessee [Mr. GORE] and his cosponsors, will prevail.

Mr. GORE. Mr. President, will the Senator from New York yield back his unused time?

Mr. LEHMAN. I yield to the Senator from Tennessee the remainder of my time.

Mr. GORE. I yield 6 minutes to my colleague the distinguished senior Senator from Tennessee [Mr. KEFAUVER].

THE PRESIDING OFFICER (Mr. PAYNE in the chair). The senior Senator from Tennessee is recognized for 6 minutes.

Mr. KEFAUVER. Mr. President, one of the most tragic facts of the present hour is the lack of a real belief that

peace can be obtained—that wars are not the only solution to the world's problems.

Speaking up for peace is not very fashionable these days. Too many of us leave talk of peace to Communists who do not actually believe in it. War will, indeed, become inevitable if we leave the destinies of this Nation and the world either to Communists who do not believe in peace on the one hand, or those of our leaders who have come to despair of peace on the other.

We have the power in this body, Mr. President, to strike a great blow for peace now. The Senate of the United States has the opportunity of assuring both our friends and our foes that the people of the United States desire a peaceful world above all things and will make sacrifices to obtain it and maintain it, just as we would make sacrifices if war were thrust upon us.

One of the quickest and surest, most trusted, and reliable ways to make for a peaceful world is to encourage world trade. It is the way of true friendship and understanding.

My distinguished colleague, the junior Senator from Tennessee [Mr. GORE], has been an able leader of the forces which are seeking to make the United States foremost among the countries of the world in promoting and stimulating the international exchange of goods. In so doing he is following a great tradition of our State, whose eminent son, Cordell Hull, was the father of the Reciprocal Trade Act of this country. He is following the long tradition of the Democratic Party which, from its inception, has recognized enhanced world trade as a means of peace and friendship among nations and a means of strength and growth to ourselves. It is with pride that I join him in this struggle for a peaceful world based on the reality of greater world trade and the friendship and well-being it engenders.

Many of the leaders of this struggle we make for quickened world trade are the most hardheaded and farsighted members of the business community. And a great many of them are devoted members of the Republican Party. As leaders of our great business enterprises, they have come to see more clearly than many the absolute necessity to the peace of the world and the well-being of our Nation of a larger and less encumbered world trade.

As Republicans, I expect that they have noted with sorrow the retreat of the present administration from the principles of which it fought the last national election, as well as from its slogans. We are, and it is inevitable that we do so, withdrawing from many of the programs of economic aid which were found vital after World War II. The Republican Party ran in the last election under the slogan "trade, not aid." President Eisenhower, early in his administration, appointed the so-called Randall Commission to study this tremendous problem, and to present to him a long term solution. That the Commission did. Its report is one with which not every Democrat would agree. But knowing the realities of Republican pol-

itics and the hard core of Republican tradition, it managed to be better than many of us had expected.

Legislation was drawn up on the basis of the report of the Randall Commission. That legislation was placed on the "must list" for consideration by this Congress. It is not merely sad; it is tragic that in this hour of world tension the administration gave up its plan to push such long-range legislation and has notified its leaders in the Congress that it would accept instead an extension of merely 1 year of the Reciprocal Trade Act. Thus the great crusade has been transformed into the great retreat.

Those of us who still have faith that by peaceful means men of good will in all nations can work out a solution to world problems without a final resort to war, those who place the welfare of the Nation above politics, have no alternative except to seek to save this administration from its own weaknesses.

Instead of a paltry and pallid extension of the Reciprocal Trade Act by a single year, we propose the extension of a liberalized act for 3 years.

Last year I offered an amendment extending the act for 3 years instead of 1, and incorporating other liberalizing amendments. My amendment was defeated. At that time the position of the administration was that they wanted only a 1-year extension, pending completion of the Randall study and its report.

The study has been completed, and the report filed, and it recommends a 3-year extension, for largely the same reasons that I gave last year. But again we are faced with only a 1-year extension. Therefore, I was glad to join my colleague and the other Senators in sponsoring the amendment again this year, and I hope the Senate will adopt it.

A 1-year extension will merely mean to the rest of the world that we have not yet gone backward in our position on world trade. An extension of a liberalized act for 3 years would be taken universally as a going forward, as the most concrete evidence there could be that the United States still intends to be a leader in the long march toward the kind of a world in which differences between nations can be settled regularly and normally by peaceful processes.

To our friends the world around, Mr. President, such action by us would bring a lifting up of hearts. It would help to end many of the strains which reckless actions or equally reckless inaction on our part have placed on some of our oldest and deepest friendships with other peoples. It would allow our own businessmen and those of other friendly countries to plan their programs far enough in advance to give them a new security. It would go far to end the charges of isolationism which have been cast against us.

To our enemies it would bring a vision of the kind of fruitful trade and improved living conditions for their peoples which would open up to them the moment they laid aside their aggressions and gave evidence of a genuine desire for peace.

We have a great propaganda agency maintained at a cost of many millions of dollars. We hope that it will make for understanding and friendship for us. Yet in the brief time that it would take the Congress to pass a genuinely liberal and long-term Reciprocal Trade Act, we could, Mr. President, accomplish more for the good will of the United States than any propaganda agency could do alone in years of effort.

The failure of the present administration to push its own legislation, the failure of this Congress to pass a liberalized, long-term Reciprocal Trade Act, will be a signal to the world, a signal to our friends, a sign to our enemies, that we have lost faith in peace, that we and they must endure yet another year of deepening crisis.

We have here, Mr. President, an opportunity to serve the cause of peace at a time in which such opportunities become daily less frequent. We must seize the opportunity. We must notify the world that America has not thrown down its mantle of leadership. The issue here is one of limpid clarity. We can be generous on this issue and we will be wise in doing so, we can once again proclaim the faith of our Nation in peace and a better life for ourselves and the other peoples of the world, or we can demonstrate our weakness and our timidity, our loss of faith, our lack of confidence in our tremendous destiny, the fact that our generation is a little less worthy to be called citizens of the land of the free and the home of the brave.

THE PRESIDING OFFICER. The 6 minutes of the Senator from Tennessee have expired.

Mr. GORE. Mr. President, I yield 6 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I rise to support the President's program for an extension of the Reciprocal Trade Agreements Act for 3 years. I do so even though the President's own leadership in the Congress seems to have abandoned that program. In doing so, I am proud to join the junior Senator from Tennessee [Mr. GORE] and our many associates on this side of the aisle who are demonstrating once again the qualities of leadership and proper governmental responsibility—the dedication to principles and to national welfare without regard for party affiliation.

We support the President when he is right in our judgment, and we oppose him when we believe he is wrong. We support the President's recommendation for a 3-year reciprocal-trade extension at this time because we know it is right for our Nation and for our people.

Mr. President, last year at about this time I rose to speak on our foreign economic policy, and several other Senators did the same. I recall that we pled for a more stable foreign-trade policy from this administration, and that we asked for a foreign economic policy which would be a coherent and effective part of our total foreign policy in this long-term, hot-and-cold war with communism.

Those of us who spoke last year took note of the fact that the antitrade forces in this country were making a more determined effort than usual to undermine

our foreign-trade position and the economies of the free world. We took note of the fact that the Soviet bloc was making a more determined effort than at any time in the past to undermine our foreign-trade position and the economies of the free world.

American foreign policy, military security, and foreign trade should all be considered as important areas of an integrated overall comprehensive program of security and international relations. A successful foreign policy necessitates effective action on three fronts:

First. Diplomacy.

Second. Mutual defense.

Third. Foreign economic policy and international trade.

These are interrelated and interdependent.

Discouraging as the political and military situation may be, the most glaring and disturbing aspect of our foreign policy is our failure to develop a sound and progressive international economic program. We have put off the day of reckoning by our liberal loans and grants to our allies. With the determination of the administration and the Congress to reduce economic aid, the imperative necessity of expanded trade between ourselves and the free nations becomes ever more important. The slogan of "Trade, not aid" requires not only that we reduce our aid, but that we expand our trade.

The normal trade patterns of prewar Europe and Asia were severed and disrupted by World War II and the post-war aggression of the Soviet Union and her satellites. The arteries and veins of commerce between the nations of Europe and Asia were blocked. If Western Europe is to survive and the other free nations to grow in strength and stability, new trade channels must be opened and kept open.

The United States of America is the most powerful economic force on the face of the earth. We have given political leadership, and at great cost have helped to rearm our friends and allies. Yet, we have shown little or no statesmanship in the area of world trade and foreign economic policy. Our program of building strength against the forces of Communist imperialism may well fail and collapse unless all three areas of our international policy remain strong and effective; the political, the military, and the economic.

This sound international policy is like a 3-legged stool. Its stability and its strength cannot be measured by any two—it requires all three. As the leading economic power in the world, surely we should be able to establish beyond question of doubt our claim to economic statesmanship and leadership.

In 1953, the President and his administration asked for but a 1-year extension of the Reciprocal Trade Act. The President in his message asked for this year's extension, stating that during that year a commission would be appointed to study the overall trade policies of the United States, and that the commission would bring forth recommendations, which in turn the President would submit to the Congress for action.

We voted reluctantly for a mere 1-year extension of the Reciprocal Trade Agreements Act, and took careful note of the pledge of the Secretary of State that no new agreements would be negotiated under it. But we lived at that time in hope that this year the administration would redeem its pledge to bring before the Congress a consistent, forward-looking foreign economic policy—a policy worthy of the problems now facing the free world.

The Commission was appointed. The study was made, and the recommendations were sent to the Congress by the President. The report of the Randall Commission represents the 1-year study. But we are now faced again with another request for a 1-year extension of the whole Reciprocal Trade Act. The President's foreign economic policy message has been relegated to the archives. The work of the Randall Commission has become the basis of a message to the Congress, but not a policy on which to act. The report of the Randall Commission was in itself a serious compromise of some basic principles. Even that report, however, has been put aside.

REPORT OF THE PRESIDENT'S COMMISSION

We expected great things from the Randall Commission, Mr. President. While I think it well that we accept its report as a basis for immediate legislation, I would not have it thought that this report sets forth the last word in foreign economic policy to be the basis for an enduring and successful policy.

This report has been sold to the American people as something new. Actually, there is hardly anything new in it, and the few new departures failed to gain the acceptance of the majority of the Commission. I do want to commend Mr. Randall and his Commission for their dedication to their task. The report is, of course, a significant contribution to the study and understanding of foreign-trade policies. I now want to discuss what I think are some of the shortcomings of the Randall Commission report. I do so, not in a spirit of partisan criticism, but simply to reopen the subject of foreign economic policy. I am afraid too many people have considered the subject closed, thinking that this Commission said the last word on the subject.

THE PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

MR. HUMPHREY. Mr. President, I ask unanimous consent that the remainder of my remarks be printed at this point in the RECORD.

There being no objection, the remainder of Mr. HUMPHREY's remarks were ordered to be printed in the RECORD, as follows:

First, I do not believe the Randall Commission report really gives us a comprehensive survey of our foreign economic policy as an arm of our total foreign policy. There is no attempt in the report to assess our major objectives in the cold war, and then to look at our foreign economic policy in the light of these objectives. Instead, economic policy is viewed as something unique and separate from the rest of our foreign policy. This is highly unrealistic.

Second. The Commission devoted a great deal of consideration to the so-called dollar gap, and to the question of replacing aid with trade in order to close the gap. Many economists feel that, in fact, the Randall Commission considerably overestimated the seriousness of the dollar gap.

The chief problem, however, is that the dollar gap is merely a symptom of far more basic, underlying problems. These problems include the domestic health of free world economies abroad, and the drastic changes in the pattern of world trade which have taken place since the beginning of World War II. These changes have cut our European allies off from many markets in which they used to sell. They have also brought upon the scene new competitors in world markets, with the beginnings of the industrialization of some of the previously underdeveloped areas.

It seems to me that efforts to deal with these transformed patterns of trade, to re-create multilateral trade patterns that will allow European economies to increase their trade with nondollar areas of the world, and to get rid of rigidities in the European economies are problems which the Commission should have looked at.

Third. The Commission took no real, hard look at the problems of the underdeveloped areas. It said there ought to be increased private investment in those areas, and it supported previous constructive suggestions for Government incentive to private investment.

But it said very little about how you are going to attract private investment to new nations on the very border of the Communist world. Those are the nations we want to help, and most estimates are that these areas need about a half-billion dollars of new investment a year.

The Commission said nothing about the often-proposed plan of an international development institution of some type which would help make capital available to the underdeveloped areas.

The commission said nothing thoroughgoing about the problem of stabilizing raw materials prices, which is a vital problem to those new nations. It rejected international commodity agreements out of hand. The only positive contribution it had to make was the statement that we ought to maintain stability in our own economy so as to stabilize raw materials prices abroad. It didn't say how we would accomplish this, nor did it examine the question of whether rather sharp cyclical fluctuations in raw materials prices aren't inevitable, even in a stable economy, in the absence of commodity agreements of some type.

4. The Commission had practically nothing to say and no recommendation to make regarding our own domestic economy and its relationship to foreign trade. It did make a few gratuitous remarks about farm price supports, saying that they had interfered with freedom of trade. It didn't attempt to prove its case, which, as a matter of fact, has yet to be proven.

The Commission had nothing to say about the problem of recessions or downturns in our economy and the way in which they affect our foreign trade and thus the economies of other nations. I want to say a few words about that at this point, for I think it is important.

Our Nation today produces more than 40 percent of the world's goods and services. We generate about two-thirds of the world's supply of savings. In 1952 we exported 20 percent of the world's exports, and imported 15 percent of the world's imports. We are pretty important to the rest of the world, even though our own exports are only about 5 percent of our national income and our imports only 4 percent of our national income.

I would like to suggest to the administration that our foreign and our domestic eco-

conomic problems go hand in hand. We ought to be concerned about the economies of the other nations of the free world. After all, we have put a big investment into them, and it has been a successful investment because it has helped to save those nations from their internal Communist movements. Now that we are cutting down on foreign aid, however, we ought to watch our own domestic economy, for a downturn here—no matter how small—will have a proportionately greater effect on the economies of our anti-Communist friends and allies.

This will be so because foreign trade is more important to them than it is to us. It will be so because our recessions tend to be more severe than foreign recessions, and thus have a proportionately large effect on our imports and foreign trade policy. It will be so because the items we import from many of the nations abroad are luxury items which we quickly curtail in times of recession. It will be so because our raw material imports vitally affect the economies of the underdeveloped areas—many of them close to Communist borders—which are still one-product economies.

The economic downturn of 1949 in this country resulted in a 10 percent drop in imports under 1948. The same general result followed the downturns of 1921, 1930, and 1938.

Recession also has historically tended to dry up our investments abroad. This fact could become increasingly important when it is the policy of the current administration to cut off public investment and to rely heavily on private investment in underdeveloped areas. Thus, in 1948, total American private investments abroad were \$864 million; in 1949 they were \$609 million.

Continued unemployment in this country could also have serious effects on the status of east-west trade. Free world trade with the Soviet bloc declined significantly from 1952 to 1953. But here is what FOA administrator, Harold Stassen, had to say about that before the Senate Foreign Relations Committee:

"Now the important thing to have in mind is that this adjustment has taken place successfully for the free countries, because the total economic picture in the free world in 1953 showed great strength, an expansion of trade, higher production in both industry and agriculture, and a very marked improvement in the standard of living of the free world and the stabilization of their currencies during 1953." (Hearings, April 9, 1954, p. 6.)

5. The Randall Commission: While recognizing the importance of an expansion of our foreign trade, did not really explore the problem of adjusting the United States economy to the impact of increased foreign trade. The Commission, I am sure, was right in feeling that from the total interest of our economy, an expanded trade program is a vital thing. The Commission also recognized that there would be certain areas which would be adversely affected by increased trade—certain communities which would feel the pinch of lowered employment and incomes due to foreign competition. The Commission did not, however, say anything about how this problem would be dealt with.

Commissioner McDonald: David McDonald of the CIO Steelworkers—alone put some thought on the subject, and came up with a recommendation which deserves the careful consideration of the Congress. But he did not get any votes for his proposal from the Commission.

I submit for printing in the RECORD Mr. McDonald's separate views on pages 55 through 58 of the Randall report:

"STATEMENT OF MR. McDONALD ON ADJUSTMENT IN CASES OF INJURY CAUSED BY INCREASED IMPORTS

"Neither the present law nor this report makes provisions for workers, companies, and

communities that might face injury if the President decides it to be in the national interest to lower tariffs beyond the points specified by the Tariff Commission under the peril point and escape clause provisions.

"It is not likely that such injury would be widespread, but the initial effects upon those concerned might be serious. Some jobs might be lost, some companies might lose markets, and some communities might suffer increased unemployment. As I stated in my comments on the 'Tariffs and Trade Policy' section of this report, it is essential that adequate provision be made in the law for facilitating adjustments to increased imports.

"I am satisfied that the necessary adjustments can be made. But I cannot agree with the majority view that the Government has no responsibility to assist those injured in making them. Unemployment of any magnitude is of concern to the Government. Unemployment caused by Government action, as in the lowering of tariffs, should be of particular concern to the Government.

"The scope of this adjustment problem is indicated by estimates of potential worker displacement made for this Commission. Given a hypothetical reduction of 50 percent in our present tariffs, and the increased imports which would result from such reduction, not over 100,000 workers might be threatened, directly or indirectly, with loss of their jobs. Product diversification and other adjustments on the part of the companies concerned can be depended upon to reduce this figure. But while the total number involved should prove relatively small, the impact on the workers who are affected might be severe.

"During periods of rapid industrial expansion, the problem of adjustment to increased imports should be relatively easy. On the other hand, during periods of easing industrial activity, it may not be possible for the growth industries to absorb all of the workers from those industries which are in competition with imports. Owing to the comparatively weak competitive position of the industries which will suffer from imports, they are likely to suffer most in time of general business retrenchment. It is during such periods that it is more important for the Government to provide assistance to industries which find it necessary to make adjustments to any loss of markets resulting from increased imports.

"Study of the extensive experience of all segments of our economy in adjusting to dislocation from causes other than import competition leads to the conclusion that adjustments of a magnitude far greater than this have been, and can be, made. Indeed, on the basis of past experience, the areas of our economy concerned should be stronger after this adjustment than before.

"It is proposed that a policy be adopted by the Congress to assist and promote necessary adjustments by companies, workers, and communities whenever injury results from increases in imports traceable to tariff changes.

"ELIGIBILITY FOR ADJUSTMENT ASSISTANCE

"When the President finds it in the national interest to lower a tariff below the peril point, or to maintain a tariff concession despite a finding of injury or threat of injury by the Tariff Commission in an escape-clause action, the affected companies, their employees, and the communities in which they are located should become eligible for assistance under an adjustment-assistance program. The existence of such a program would provide the President with an alternative to tariff restoration, and it would provide those injured with assistance in making needed adjustments.

"PROPOSED ADJUSTMENT-ASSISTANCE PROGRAM

"The most satisfactory adjustment for workers, companies, and communities affected would be for the managements in

the industries concerned to diversify their output into products less vulnerable to import competition. The next most satisfactory solution would be for the communities to broaden their economic base and provide alternative jobs for their workers. What companies and communities need in order to diversify is technical assistance to help determine lines of production which they might economically develop, and financial assistance to help carry the cost of such development. This might be provided in the following ways:

"(a) Companies and communities affected should become eligible for a technical-assistance program.

"This would permit payment from Federal funds of part of the cost of service of consulting professional engineers, economic developers, market researchers, or other technicians whose services might prove helpful. This responsibility might be assigned to the Department of Commerce.

"(b) Companies and communities found eligible should have access to financing assistance necessary to their adjustment programs.

"Expansion or diversification of existing business, or the development of new business, may require additional financing. A large number of communities and several States have established privately financed industrial development corporations, which could be helpful in meeting this need.

"Experience indicates that a marginal amount of financing may also be required that is not available from these sources. In such cases, the Small Business Administration, acting within its present authority and existing appropriations, should make its facilities available. If it should be found necessary, the Small Business Administration Act might be amended to permit larger loans if they are required to further this adjustment program. Any such public financing should be supplementary to, and preferably in participation with, private financial institutions.

"(c) Companies found eligible should have the privilege of accelerated tax amortization on new plant and equipment for the purpose of introducing new products or expanding production in lines other than those affected by tariff changes.

"Such amortization should also be offered to any other firms expanding production or establishing new facilities in communities (or their labor market areas) which are found to be eligible for this program. The Internal Revenue Code would have to be amended for this purpose.

"(d) Companies and communities found eligible should receive special consideration in the letting of Government contracts.

"COMMUNITY ADJUSTMENT ASSISTANCE FROM EXPORT INDUSTRIES

"Large sectors of expanding American industry have a substantial interest in promoting export trade and, consequently, in lowering barriers to increased imports. Most of these manufacturers are in fast-growing industries and have long-term plans for expanding their plant and equipment. If a number of such firms would undertake to place a relatively small proportion of their branch plant expansion in areas with present or prospective labor surpluses resulting from import competition, selecting from their expansion plans such operations as could economically be located in these areas and still meet their own production and marketing requirements, the problem of unemployment from import competition would be largely solved.

"There would still remain problems of transferability of skills of workers, adaptability of older workers to new industries, loss of accumulated benefits resulting from long seniority, etc.; but experience in many communities indicates that these could be largely solved, given an adequate supply-of

alternative employment in growth industries. Export industries will presumably grow and prosper with the increased exports that lowered tariffs and higher imports would permit. There is a certain equity in their sharing this growth with the communities and workers whose adjustments would make it possible. Carrying out a program of this kind under private auspices might be done through an industrial development corporation, fashioned after the community and State industrial development corporations but operating on a national scale. The more that private industry can utilize the skills of these displaced workers through this or other means, the smaller the task left to the Government.

"ADJUSTMENT ASSISTANCE FOR WORKERS"

"Employees of companies found eligible for this program should also be eligible for adjustment assistance, in case they are not able to locate alternative employment promptly. This might take the form of a special unemployment compensation program administered through our present Federal-State machinery but financed by Federal funds.

"Provision should be made in case situations arise where neither companies nor communities succeed in diversifying to new lines of production and the workers face a major vocational adjustment problem. Present unemployment insurance benefits are inadequate to meet this need. Since this displacement would be the result of our national trade policy, Federal responsibility is clear. States where the impact happens to fall heaviest should not be penalized in a program designed to benefit the national interest.

"These unemployment benefits should extend for a longer period than is presently provided, but be limited in duration. Maximum benefits should exceed those now available. Benefits should cease once suitable work is found. If a worker takes a new job at substantially lower pay than his old job, he should be entitled to a supplemental benefit for a limited period to make up part of the difference.

"In addition to special unemployment insurance, a fully adequate adjustment program for workers would involve (a) an intensive counseling and placement program to help workers locate alternative jobs as nearly as possible equal to their previous employment; (b) special training allowances, similar to the current veterans' programs, to finance employers' costs in connection with inplant training programs or to cover approved courses of training in approved institutions; (c) special moving allowances, where a finding is made that a job is available elsewhere and payment of moving expenses up to a fixed amount in an individual case can aid in relocation; (d) for any older workers who prove unemployable, provision should be made for eligibility before 65 for retirement benefits under the old-age and survivors insurance program, without prejudice to their rights at regular retirement age.

"RESEARCH ON THE IMPACT OF LOWER TARIFFS AND INCREASED IMPORTS"

"To my knowledge, more research was undertaken on the extent of the impact of import increases on American workers, companies, and communities as a result of this Commission's inquiry than has been done at any other time. This is surprising in view of the tremendous interest in the subject and the wide divergence of views on what this impact would amount to.

"Time available to us did not permit the collection and review of all the information on the impact of potential imports which we should have liked to have had for the Commission's consideration. More work needs to be done in this area to assist the Congress in the formulation of future

tariff and trade policy, and to assist the executive branch in administering it.

"It is, therefore, recommended that:

"(a) Industry-by-industry estimates of potential displacement resulting from tariff reductions be made by a special interdepartmental committee established for this purpose.

"(b) The probable effect of such displacement on the individual industries and companies involved be analyzed by the Department of Commerce.

"(c) The probable effect of such displacement on workers involved, by industries and by labor market areas, be analyzed by the Department of Labor.

"(d) Adequate funds for these studies be made available by the Congress."

6. I believe the Commission failed to face up to one of the chief problems in the area of East-West trade. The Commission recommended that the United States "acquiesce in more trade in peaceful goods between Western Europe and the Soviet bloc." But the Commission did not deal with the problem of whether, once these trade channels are built up, the Soviet bloc will have a whip hand over the nations of Western Europe if it threatens to cut off profitable trade.

Of course, if we are not going to establish a stable, long-term trade policy we might as well face the fact that our friends will have to turn to more trade with the Soviet bloc. What we should be doing is to provide them with an alternative, by enacting some lower tariffs and removing the restrictions to legitimate commerce by modernizing our customs regulations.

7. The Randall Commission recommended merely a 3-year extension of the Reciprocal Trade Agreements Act. This represented a compromise from the original view of the Commission that a 10-year extension should be recommended. I also want to point out that the Bell Commission, set up under the last administration, recommended an extension without time limit.

The Randall Commission said nothing about whether there was any reason to believe that a 3-year extension would be enough to encourage foreign exporters to trade with the United States. Selling in the American market often requires a large investment in advertising, in redesigning and retooling. There is some doubt that foreign exporters will be willing to make that investment if the Trade Agreements Act will have to come up for reconsideration in 3 years.

8. This would be especially true if another recommendation of the Commission were accepted—that advocating the renegotiation and restriction of the General Agreement on Trade and Tariffs. This agreement, dating from 1947, includes 23 nations and embodies all our trade agreements made since the war.

The Commission proposes to take away all administrative power from the GATT and leave it with only negotiating powers.

I think it is very doubtful whether the GATT should be disturbed. It is now the heart of free world trade policy, and I am reluctant to see the heart cut out of free world trade. If the United States were to withdraw from GATT most of our tariff rates would revert to the 1930 levels—Smoot-Hawley. There would be an average tariff increase of 65 percent on the items included in the GATT. This seems to me hard to reconcile with a forward-looking trade policy.

Let me also say, however, that I do agree with the recommendation of the President's Commission that the General Agreement on Tariffs and Trade should be submitted to the Congress for its approval. I do not agree with the Commission that the administrative provisions should be cut out of the agreement, but it is clearly important, in a nation which believes in the rule of law, that the legislature pass on a measure which

has such a real effect upon the American economy and upon our foreign policy. I would hope and trust that Congress would approve the General Agreement on Tariffs and Trade as it now stands.

I deeply believe that the foregoing criticisms of the report of the President's Commission are necessary in the interest of future legislation in the field of foreign economic policy. I am deeply concerned lest it be thought that the Commission has said the last word on the subject.

I want also to say, however, that there are many admirable things in the Commission's report. The Commission has recognized that aid is no substitute for trade. It has strongly and correctly, in my view, recommended that our customs provisions be simplified and reformed. It has correctly stressed the importance of obtaining convertibility of the world's currencies in the near future.

THE PRESENT POSITION OF THE ADMINISTRATION

The report of the President's Commission with all of its compromises, outlines the nucleus of an improved trade program, and I am anxious to support that. I had hoped to have a chance to vote for it, and I still intend to vote for it.

The real disappointment in this absolutely vital area of foreign economic policy has been the fact that the administration has not even stood by its own recommendations, but has decided to put off the solution of this extremely urgent problem for another year.

The reason given is that the Congress needs time to study the proposals. Perhaps the Republican Party needs to study them, but there are plenty of us here in the Senate today who have studied these proposals, who have been concerned about this problem for a long time, and who are today prepared to vote for the President's trade program.

Let me quote from the New York Times of June 11, 1954:

"President Eisenhower stated with emphasis today his determination to press for congressional approval of his liberal foreign trade program as outlined in a special message last March.

"He denied vehemently at his news conference that his acceptance of a 1-year continuation of his existing tariff-making powers meant he was backing away from his original recommendations.

"Nothing could be further from the truth, he declared. He explained, in substance, that Congress needed more time to study the controversial aspects of the broader program. Members could not be expected to vote 'yes' or 'no' and do it now, he said."

Now, let me quote a bit from a later passage of this same article:

"Representatives REED and SIMPSON only recently had been pressing the administration for a commitment against any new trade agreement as the price of favorable action on the 1-year extension. There was no clear explanation of their sudden change.

"One factor, however, was the desire on both sides to avoid a party-splitting fight in an election year. Mr. SIMPSON, as chairman of the Republican congressional campaign committee, is largely responsible for the party's effort to retain control of the House in the November elections.

"It was also reported that Mr. REED and Mr. SIMPSON had been assured that the Japanese agreement would not be concluded until sometime next year. Possibly the renewed act will again expire before the pact can be put into effect."

The entire article is as follows:

"PRESIDENT STANDS ON HIS TRADE PLAN—DENIES ACCEPTANCE OF YEAR'S EXTENSION ON TARIFF POWERS MEANS DROPPING PROPOSAL

"(By John D. Morris)

"WASHINGTON, June 10.—President Eisenhower stated with emphasis today his determination to press for congressional ap-

proval of his liberal foreign trade program as outlined in a special message last March.

"He denied vehemently at his news conference that his acceptance of a 1-year continuation of his existing tariffmaking powers meant he was backing away from his original recommendations.

"Nothing could be further from the truth, he declared. He explained, in substance, that Congress needed more time to study controversial aspects of the broader program. Members could not be expected to vote 'yes' or 'no' and do it now, he said. He had previously urged action early in the next session.

"The President's remarks coincided with swift action by two committees of the House of Representatives on a bill to authorize a 1-year extension of the Reciprocal Trade Agreements Act, which expires Saturday. This completed parliamentary preliminaries for House passage of the bill tomorrow without change.

"The act gives the President power to lower tariffs in exchange for trade concessions by other countries and raise them to protect domestic industries from serious injury. He is limited to a 50 percent range of rates in effect January 1, 1945.

"HIS ORIGINAL PROGRAM

"In his message last March, President Eisenhower proposed a 3-year extension with authority to lower tariffs selectively by an additional 5 percent each year. This and other recommendations dealing with such problems as convertibility of currencies and customs simplification were based on the report last September of a special 17-member commission headed by Clarence B. Randall, Chicago industrialist.

"The President advised Congress later of his willingness to accept a 1-year continuation of his present tariffmaking powers as an interim measure.

"A bill for the stop-gap extension, introduced Thursday by Representative DANIEL A. REED, Republican of upstate New York, was unanimously reported this morning by the Ways and Means Committee. This afternoon, the Rules Committee cleared it for House consideration tomorrow under procedure that will bar any changes on the floor. Debate will be limited to 3 hours.

"Mr. REED, Ways and Means chairman and ordinarily a leading spokesman for high tariff forces, surprised spectators at the Rules Committee hearing by urging favorable action on the ground that it was advisable to negotiate a trade agreement with Japan. The Japanese must have a better market for their goods, he said, adding: 'We want to keep them on our side. They've got to live.'

"FIRST ITEM NEXT YEAR

"Representative RICHARD M. SIMPSON, Republican, of Pennsylvania, and principal leader of the House protectionist bloc, testified that he would quite willingly go along pending congressional examination of the entire tariff and trade subject.

"Mr. REED said the Ways and Means Committee would take the subject up as its first order of business next year.

"'It is our intention,' he said, 'to hold the most exhaustive hearings on this whole subject of trade that we have ever held at any time.'

"Representatives REED and SIMPSON only recently had been pressing the administration for a commitment against any new trade agreements as the price of favorable action on the 1-year extension. There was no clear explanation of their sudden change.

"One factor, however, was the desire on both sides to avoid a party-splitting fight in an election year. Mr. SIMPSON, as chairman of the Republican congressional campaign committee, is largely responsible for the party's effort to retain control of the House in the November elections.

"It was also reported that Mr. REED and Mr. SIMPSON had been assured the Japanese

agreement would not be concluded until some time next year. Possibly the renewed act will again expire before the pact can be put into effect.

"Expiration of the law Saturday will not affect existing agreements, so a brief hiatus is not considered important as long as the world knows the reciprocal trade program is not being abandoned. Early Senate action is planned."

So the reason we were not to have a chance to vote on a real foreign trade program was to keep the Republican Party from splitting apart. Of course, the free world might split in the meantime, but the Republican Party will live on. Live on, I might add, with the trade policies of 1930 in the world of 1954.

We even learn that Republican Members of the House have been assured that a trade agreement with Japan will not be negotiated within the coming year. Let me say a word about that.

Japan, as everyone knows, is a nation that has lived for the past 100 years by trading. She is a small nation, she is a highly industrialized nation, she lacks sufficient raw materials and foodstuffs—she must trade in order to survive. Yet, in today's world, she meets tariff restrictions everywhere she turns. She has an annual dollar deficit that is only brought into equilibrium by United States expenditures for our military forces in Japan.

All experts are agreed that one of our gravest dangers in the Far East is the Japanese trade situation. If Japan cannot trade with the free world, then she will turn to the slave world. And she will have no choice. Needless to say, the Communist Chinese are just sitting there waiting for the apple of the Japanese economy to drop off the undernourished limb of free world trade and into the lap of the Iron Curtain bloc.

Yet we learn that certain Republican Members of the House have been assured there will be no trade agreement negotiated with Japan in the coming year.

Last year's pledge has been repeated. In the face of that information, Mr. President, let me quote a bit from the testimony of Secretary of State Dulles before our Foreign Relations Committee on June 4:

"Mr. CAPEHART. Well, I can ask this question because of my reputation of being always looking after the interests of the United States, so I will ask this question.

"For example, how is Japan going to maintain an economy if she cannot trade throughout the entire Far East? Aren't we going to have to face that issue in some way?

"Mr. DULLES. Well, I hope we will not have to face it but, of course, if there should be barriers to Japanese trade with Southeast Asia, that would add seriously to what is already—

"Mr. CAPEHART. Yes.

"Mr. DULLES (continuing)—an unhappy economic situation for Japan.

"Mr. CAPEHART. If Japan is going to remain strong and healthy she will have to trade.

"Mr. DULLES. That is correct.

"Mr. CAPEHART. She will either have to have it with the United States, among her own people if there is sufficient of it, or they will have to do it with Latin America or some other section of the world.

"Mr. DULLES. Correct.

"Mr. CAPEHART. Now, the question is, Can we draw lines around certain sections of the world and say we are not going to trade in them? If we do, is there sufficient trade then in the balance of the world to maintain the private-enterprise system or the system of individual ownership of property or will we be dragged down into complete, 100-percent Government ownership, which is communism? Frankly, I think we have been barking up the wrong tree in many, many

respects, many of us, and many people in the United States, and I shall include myself among them.

"Mr. SPARKMAN. Mr. Secretary, I was very much interested in the discussion between you and Senator CAPEHART, and I am in agreement with you, and I am very much concerned about this economic situation of Japan and that whole area.

"Now you said that there were certain parts in the President's program. What part of the program relates to that particular problem? There is no legislation proposed to us that would ease up on this economic situation in Japan, for instance, is there?

"Mr. DULLES. Yes. If the Reciprocal Trade Agreements Act is extended for a year so that we can then negotiate with Japan in GATT, that would open the way to a very considerable easing of the Japanese trade problem.

"You see, by and large, there have been negotiations with other countries which have considerably reduced, on a multilateral world basis, the duties on the commodities which are distinctive to those particular countries. There have been no such negotiations with Japan, so that the goods from Japan or the goods which are distinctively Japanese in their character still have to pay, in most of the world, very high duties, in many cases discriminatory and prohibitive duties.

"Now, we were able, with great difficulty, in the face of British opposition, to get Japan membership in GATT this year, or last fall, whenever it was. But now the ability to proceed and turn that to account depends, for example, on the extension, without crippling conditions, of the Reciprocal Trade Agreement Act, and there is a plan for going ahead with that type of negotiation with Japan, but it is—the consummation of that program depends upon getting a renewal, which the present act, I think, expires on the 12th of June."

Yet, in spite of the testimony of the Secretary of State concerning the urgency of the Japanese trade problem, it is still the case that the administration is putting off a long-term solution to the free world's trade problem, and is even assuring members of its own party that it will put off consideration of the particular problem of Japan.

EAST-WEST TRADE

And Japan is not the only nation caught in the dilemma between East and West. The same thing is true of the nations of Europe, and it will begin to be true of the underdeveloped areas as they industrialize their economies.

Where Europe is concerned it is strictly a trade question. Where the underdeveloped areas are concerned, it is also a question of whether we are going to help them industrialize by providing them with capital. The Communist method of development looks like a shortcut to many of the peoples of those new nations. They are apt to choose it as a shortcut if we do not come to their assistance.

I do not intend today to speak to this question of capital and technical aid for the underdeveloped areas. I will have something to say about that when the foreign-aid authorization comes before us.

Last year—a year ago almost to the day—I warned what would be the result in terms of East-West trade if we did not lower our own trade barriers on a serious and long-term basis. Despite the fact that East-West trade dropped from 1952 to 1953, the likelihood of increased East-West trade is now grave. It carries with it the likelihood of a reorientation of the economies of some of the most productive nations in the world in the direction of the Soviet bloc. These are nations upon whom we have relied as arsenals of democracy. But we are going to have to allow them the trade on which their economies depend if they are to use those economies in the cause of democracy.

I have spoken here before of what serious trading with the Soviet Union and her satellites can mean to free nations. It may, in the long run, mean state trading and a threat to free economies. And it may mean a further buildup of the Soviet economies, for those nations are able to set their terms of trade without reference to their domestic economies, and they make bargains for what they badly need without giving up substantial resources in return.

This is what Harry Schwartz, a widely recognized expert on the Soviet economy, has to say about Soviet foreign economic policy since the war:

"Since World War II, political factors have become much more important. Late in 1950 it seemed unlikely that foreign-trade plans were based primarily upon determination of minimum import needs and the selection of commodities to be exported in payment. Rather, Soviet interests in developing and dominating the satellite nations in eastern Europe and Asia also undoubtedly played a major role in this planning." (Schwartz, *Russia's Soviet Economy*, p. 500.)

Since World War II the Soviet Union has rarely made use of the multilateral trading agreements which characterize trade in the free world. Instead, she has relied heavily on bilateral agreements which enable her to bring to bear her economic and political power more effectively. Also, bilateral agreements fit in better with the needs of a planned economy, and mean that the Soviet nations do not need to use currency transactions—instead they match goods against goods.

This is the trade pattern of a planned economy. There is some danger that those nations who are forced to turn to the Soviet bloc for trade will fall into this pattern as well. For if they are forced to turn to the Soviet bloc, the Soviet bloc will then be in a position to dictate the terms of trade. It is up to us to see that this does not happen.

And yet, it is happening—more and more nations are lining up trade agreements with Communist nations. The conference now going on at Geneva is trying to settle the problems of the Far East. But Geneva is also a meeting ground for trade delegations from the eastern and western halves of the world. And while these delegations are meeting, our administration is throwing overboard its plans for a liberal foreign economic policy.

I submit the following newspaper stories, describing some aspects of the current East-West trade situation, to be made a part of the RECORD at this point:

"[From the New York Times of March 17, 1954]

"THE GLITTERING PROSPECT OF EAST-WEST TRADE

"(By Anne O'Hare McCormick)

"One of the important side issues of the Big Four Conference in Berlin was the Soviet attempt to entice the Western Powers with glittering vistas of highly profitable trade with the East. While the politicians were meeting on the borderline between the two halves of Europe a group of British businessmen were in Moscow discussing the resumption of East-West commerce in nonstrategic goods on a scale much larger than has been contemplated since the war. On the margins of the Conference, and since, the prospects of increased trade with the Communist world have been dangled before the Western nations as the answer to their economic problems and as a substitute for the dwindling aid from the United States.

"Insofar as the exports do not constitute materials for making war, Washington has not objected to this commerce. In 1 or 2 instances the American Government has acquiesced in exchanges that might be open to

question on this score on the ground that the free countries are more harmed by failure to dispose of their products than Russia and its satellites are helped by the trickle of goods that comes in from the West under the new trade agreements. Furthermore, there are strong economic pressures for reviving, to the extent that it is safe and possible under present abnormal conditions, the currents of European trade that existed before the Continent was artificially divided by the Iron Curtain.

"The point of interest is that the initiative in this matter has come from the Soviet Union. One reason for this was quite crudely revealed at Berlin, where Mr. Molotov made no attempt to conceal Moscow's aims, in Germany and in the rest of Europe. In the background of the Conference was always the offer of the vast economic advantages that would accrue to Britain, France, and other European countries from trade with the Eastern bloc. This offer, like the all-European security pact, was an undisguised move to divide the Western Powers, and especially to separate Western Europe from the United States.

"THE GENEVA CONFERENCE

"A new effort along this line is sure to be made in Geneva. Russia has reason to count on the fact that the solid Allied front she was unable to crack in Berlin will be more brittle on questions of far eastern policy. It may be, also, that there are differences on the other side. Secretary of State Dulles said in his press conference yesterday that negotiations on the details were proceeding so slowly that the Geneva meeting might have to be postponed, and intimated that the delay might be due to divergences with Peiping on the latter's role in the conference.

"The motive behind the alluring picture of a great untapped market is not only the desire to divide the West, however. There is plenty of evidence that the Communist empire, immense and potentially rich as it is, needs trade with the West.

"For nearly 37 years Russia has worked single-mindedly, with no thought of the lot of the people, to build up heavy industry and make the U. S. S. R. self-sufficient. After the war she annexed the eight independent states along her western border and cut them off, too, from the outside world in order to milk them and impose on them a system that operates to reduce both their exports and their living standards. It must be borne in mind that the Soviet orbit was not isolated; it deliberately isolated itself. The Iron Curtain was a Soviet creation, designed not only to block communication but also to sever the arteries of trade.

"But the Soviet Union, no more than the rest of the world, can live by itself. It needs consumer goods, and needs them badly, to satisfy the demand of a long-suffering people for a few of the comforts of life. The satellite states used to be the granary of Europe. Now the resistant peasants don't grow enough to feed their own countries. Moscow recently had to send gold to Great Britain because it could not fulfill the order for wheat to which it was committed in exchange for British machinery.

"THE PRACTICAL ASPECT

"This brings up the question clouding the bright prospect outlined by Mr. Molotov at Berlin. There is no doubt that Russia wants trade, but can she deliver the goods? Businessmen in Europe talk sadly of the broken flow of business. They say the Continent can never really recover until the natural channels are restored.

"But some of Russia's customers are disappointed in the results of their bargains. In Vienna, once a center of East-West trade, a high official declared last fall that Austria had come out at the short end of the deal

in transactions with the Soviet bloc. 'It's mostly a matter of barter,' he said, 'but our experience is that we don't get our quid pro quo.'

"It's a significant picture—the East apparently clamoring for western products, the West more ready to oblige than the consultative group on export controls, which administers the embargo from Paris, is ready to permit. It involves Soviet external policy, no doubt, but it is also an attempt, after all these years, to give the East some of the goods the West enjoys as a matter of course. The Russian appetite for possessions, growing as the new policy for providing more consumer goods is put into effect, is a revealing commentary on the revolution."

"[From the New York Times of February 14, 1954]

"REDS' TRADE DRIVE GAINS MOMENTUM—PROGRESS IN WOOLING WEST IS MADE IN SPITE OF OBVIOUS POLITICAL OBJECTIVES—MOVE IS ON WIDE FRONT—MOLOTOV HINTS RUSSIA FEELS PSYCHOLOGICAL CONDITIONS ARE IN HER FAVOR

"(By Brendan M. Jones)

"Despite obvious political objectives, Moscow is making progress in her efforts to expand trade with the Western World. This trend, described as gaining momentum, was widely substantiated last week by trade informants in close contact with European business developments.

"The Big Four Conference in Berlin has furnished a favorable background for Soviet trade promotion, but the drive also is being pushed in other European centers, it was noted.

"Moves for negotiation and preliminary contacts on new business are being furthered all the way from Moscow to Stockholm, Vienna, Paris, and London, according to private information reaching here. And a good deal of the initiative is coming from the West.

"CONDITIONS ARE FAVORABLE

"That the Communists feel psychological conditions are in their favor was indicated in some of the Foreign Minister Molotov's recent observations in Berlin. He is reported to have declared that the 600 million people of the Communist world want to do business. This, of course, harmonized with a prime purpose of the Berlin meeting, the easing of tensions between East and West.

"Mr. Molotov could not refrain from criticism of the United States, for he noted that China had increased her trade by 188 percent in spite of the American embargo on strategic goods.

"Charges that this country has been the aggressor in forcing other countries to restrict trade with the Soviet bloc has become a popular refrain in the Communist trade offensive.

"The end of fighting in Korea, accompanied by sharp criticism of Western countries' China trade, has favored the Communists. They have played also on the waning hope of Western European nations for dramatic moves by the United States to lower tariff and other import restrictions.

"Administration officials have recently shown a more liberal attitude toward peaceful trade between Western Europe and the Soviet bloc. At the same time they have reaffirmed continuance of near-embargo controls on American exports to Communist areas. American traders have displayed restiveness under these conditions and a desire to share in this peaceful trade.

"In this atmosphere, it has been no surprise that Western European traders are in great measure impressed with the conviction the Communists mean to do business. That is, practical, down-to-earth, reliable business. Accounts reaching traders here are significant in that respect.

"PAST PERFORMANCE FORGOTTEN"

"Assertions of Kremlin policy to increase supplies of consumer goods within the Soviet sphere seem to have aroused little skepticism. Past performance by Russia in failing to live up to trade agreements also appears to have been forgotten. Strong forces of traditional trade links with Eastern Europe evidently have come alive after long suppression during the cold war era.

"As reported here, the Russian aim is to reestablish the prewar volume of trade with Western Europe. This would mean that exports to the Communist bloc would again be made up largely of industrial equipment with the addition of many other manufactured goods. In exchange there would be the traditional return of grains, feeds, foodstuffs, fuels and other materials.

"How 'traditional' trade would become as far as strategic goods are concerned would necessarily depend on business and political relationships.

"British sources here indicated last week that Moscow's proposal to order \$1 billion in industrial goods from British factories was being weighed conservatively. The British could fill some of these orders out of current stocks, it was noted, but others would depend on satisfactory credit and contracts as well as other considerations.

"The indications were that the British will not blindly snap at the Soviet trade bait. This would be out of character for one thing. For another, it could be safely assumed that no obvious war-potential goods would be sent Eastward.

"British trade negotiations in Moscow have been handled by top business people, who are not likely to be led into agreements that would neglect to provide substantial returns in Russian goods, it was noted.

"Attempts to determine just how much trade could be developed with Communist countries inevitably has led to confusion. Statistics, where they are available, are regularly reported through the United Nations. The Russians also are liberal with statistics—of the incomplete variety.

"Considering recent signs of productive and material distress behind the Iron Curtain, it would seem fantastic that Russia would be in a position to offer much trade. Major trading nations normally have a surplus of goods and materials for export, achieved naturally or induced by special productive efforts. Such capacity to export is essential for countries wishing to earn the foreign exchange needed to buy imports of goods in which they are deficient. Russia now relies on gold.

"PARADOX IS CITED"

"Conceding high industrial and production capacity to Russia, there still remains a paradox in a country seeking to expand trade while stressing lack of a better supply of goods to its own people. At the same time, however, it has been concluded by experienced traders here that the Russian drive will mean nothing politically or economically if it cannot be backed up by lasting two-way trade.

"Russian reports on 1953 claimed that the total of Soviet trade amounted to 23 billion rubles. At the official exchange rate, generally regarded as fictitious, this would be the equivalent of \$5,750,000,000. However, at a recently quoted free market rate for the ruble, at 4 cents instead of the official 25 cents, the reported value of trade would be less than \$1 billion.

"Nonetheless, the Soviet bloc has shown ability to trade outside its own sphere. Despite controls, statistics generally show a marked rise in imports from the West during the height of the Korean war. Even if nonstrategic, this volume of goods evidently sustained Communist economic strength during a period of heavy demands."

"[From the New York Times of March 7, 1954]

"FRANCE WILL SEEK MORE EAST TRADE—FINANCE MINISTER TO CONFER WITH IRON CURTAIN AIDES AT U. N. PARLEY IN GENEVA"

"PARIS, March 8.—The French Government is seeking to expand trade with Communist countries, Edgar Faure, France Minister, said today.

"M. Faure left tonight for Geneva, where he will head the French delegation attending the session of the United Nations Economic Commission for Europe starting tomorrow. He said his delegation would engage in side talks with representatives of Iron Curtain countries to clear the way for an increase in trade.

"M. Faure said one of the obstacles to an expansion of commerce between France and East Europe was the embargo placed by the free world on the shipment of certain strategic goods to Communist nations.

"He added that if the present improvement in the world situation became definite, the definition of what was strategic could be made less rigid and a number of items could be removed from the embargo list.

"He said another obstacle was the uncertainty as to the kinds of goods the East had to offer in exchange. He added that the prices the Communist nations asked often were higher than those French importers would have to pay elsewhere.

"DEBTS OF EAST ARE CITED"

"He also mentioned a number of debts still outstanding in certain Communist countries as a result of the nationalization of enterprises in which the French had invested money.

"He said the recent trade agreement with the Soviet Union called for the exchange of 15 billion francs (\$42 million) worth of goods annually each way. The French goal not only is to procure needed foreign exchange but also to establish reciprocal trade currents, he added.

"Earlier in the day M. Faure and Bernard Lafay, Secretary of State for Economic Affairs, exhorted French manufacturers and exporters to put some dynamism into their methods of doing business thus prevent France from becoming senile and decrepit.

"M. Faure and M. Lafay spoke at the first of a series of technical discussions among Government experts, exporters, and Members of Parliament on methods of expanding foreign commerce.

"LACK OF DYNAMISM NOTED"

"M. Faure declared the French economy now was characterized by insufficient dynamism, outmoded equipment and heavy financial burdens imposed by high taxes and social security. He said the high taxes were caused by France's military responsibilities in Europe and Indochina and by the still heavy outlays for reconstruction. As for social security, he said other nations should match the French effort, instead of France reducing hers.

"He recalled the Government's 18-month plan by which the economy is to be modernized and the demand for goods increased. He said exports would both contribute to and benefit from this plan.

"The 10-percent increase in production that the plan calls for requires an increase of 20 percent in the imports of raw materials, he explained. To pay for this increase, France must increase her exports by 140 billion francs annually, he said.

"M. Lafay said that in addition to paying for the imports, exports must be stepped up to absorb agricultural surpluses and give the manufacturers an opportunity to widen their markets and thus reduce their prices.

"M. Lafay joined with M. Faure in urging the exporters to do more on their own.

"Without wanting to minimize the help given by the Government, we must not hide

the fact that it is on initiative, the competitive spirit, and the taste for risk by producers and exporters that we are basing our hopes," M. Lafay said.

"He added that without private effort state aid would rapidly become a 'bonus for laziness.'

"M. Lafay warned that foreign competition was increasing. He noted that France and West Germany were exporting equal amounts in 1950 but since then the Germans had doubled their exports while the French had increased theirs by only 20 percent.

"He said the high French prices were not the whole explanation of German dominance and urged greater aggressiveness in getting and retaining foreign markets and greater efforts to satisfy foreign customers."

"[From the New York Times of June 11, 1954]

"GOODS FOR CHINA LISTED—BRITISH WILL PERMIT EXPORT OF WIDE RANGE OF MACHINERY"

"LONDON, June 10.—A wide range of machinery is among goods that may be exported to Communist China from Britain. Strategically valuable metal machine tools were excluded from the list of products published tonight by the Board of Trade for which export licenses would be granted.

"The list was handed to representatives of the Chinese Government at Geneva recently by a British business mission during negotiations to increase British-Chinese trade. A Chinese purchasing team is expected soon in this country.

"Permitted goods include textile machinery, conveying and elevating machinery, textiles, chemicals, asbestos, rubber manufactures, plastic resins, refractories, drugs, building materials, and prefabricated buildings."

"[From the New York Times of February 17, 1954]

"BIG SOVIET ORDERS PERPLEX BRITAIN—FLOOD OF NEW TRADE PROMISED TO BUSINESSMEN STUDIED—PARLIAMENT ASKS DATA"

(By Peter D. Whitney)

"LONDON, February 16.—British businessmen have promoted more than £16 million (\$44,800,000) in Soviet orders returned from Moscow today and precipitated a major national debate on East-West trade restrictions.

"In both Houses of Parliament questions were asked that showed incipient pressure to have the Allies' strategic controls against trade with the Soviet bloc modified.

"The business delegation of 33 men was not Government-sponsored, but had the approval of the Foreign Office and the Board of Trade. It came home with contracts for at least £16 million, plus future inquiries about £48 million (\$134,400,000) in other goods. Vistas of trade amounting to £400 million (\$1,120,000,000) in further Soviet orders glistened in the background.

"LARGE PART TO BE BARRED"

"Yet the indications were clear that a large proportion of the hard orders and much larger proportions of the speculative ones would never be filled. They would be barred by the Board of Trade because they violated the controls maintained by North Atlantic Treaty Organization countries against exports of strategic goods to the Soviet Union and its satellites.

"These orders will shine in the order books of British industry, which is beginning to feel German competition and the deflationary effects of the American business downturn. F. James Fielding of Platt & Fielding, a big manufacturer of machine tools, said he had booked £2,250,000 (\$6,300,000) worth of orders, largely for wood veneering presses.

"After I have programed that over the next 3 years, I reckon that it will represent 35 percent of our production," Mr. Fielding said. "That is a nice figure to have on the

order books ahead, especially since things have been slowing up lately in that respect."

"The Government tried to bring the soaring hopes back to earth. Derek Heathcoat-Amory, Minister of State for the Board of Trade, declared in the House of Commons that his department had studied with much interest the items specified in the £400 million of possible Soviet orders that had been made public recently by the Soviet Foreign Trade Minister, Ivan G. Kabanov.

"As a very rough estimate," Mr. Heathcoat-Amory said, "rather less than half of the business proposed will be found to be free from strategic controls."

"He gave Harold Wilson, the former labor president of the board of trade, an assurance that the strategic list was under frequent consideration. He promised to discuss with the businessmen what he called a most useful visit.

"Nonetheless, there was a distinct impression in official quarters that the businessmen's spontaneous party had become far more important in the public mind than had been expected and that it threatened to embarrass the Government in its economic policy.

"One manufacturer, Robert Asquith of the William Asquith Ltd. Machine Tool Co., reported that he had booked £700,000 (\$1,960,000) worth of orders for boring machines, but acknowledged that he expected a large proportion of them to be subject to the embargo list.

"SOVIET DEMAND EVIDENCED

"The businessmen reported their conviction that there was a genuine large-scale Soviet drive to raise production of consumer goods and that most if not all of the British machinery wanted was intended to fill that need. They said there was virtually no interest in direct consumer goods like textiles and household products, but there was a great demand for the machines that would produce these and other products.

"Influential members of the House of Lords complained that the strategic list had never been made public, much less laid before Parliament. Viscount Elibank gave notice that he would ask the Government about the circumstances in which an embargo has been placed on Russia, no notification of which has ever been given Parliament.

"The businessmen themselves disclaimed any intention of putting political pressure on the Government. J. B. Scott, chairman of the group, who is sales manager of an electrical concern said 'that is politics and not in my line.'

"But he said 'our visit was a reconnaissance in force to find out whether the Russians mean business.' 'There is no doubt about it; they do,' he added."

"[From the Christian Science Monitor of April 17, 1954]

"BONN LEADS PARADE TO SOVIET BLOC TRADE
(By Paul Wohl)

"Last year West Germany virtually held first place among the exporters to the Soviet bloc.

"In addition, West Germany's imports from and exports to Communist China in 1953 were exceeded only by those of Hong Kong. In direct trade with Chinese ports West Germany was leading.

"Revival of German East-West trade has been going on for some time. At the Berlin foreign ministers meeting it became known that authoritative representatives of German business, including the 'Bundesverband der Deutschen Industrie,' held a secret conference with Soviet Deputy Prime Minister Anastas Mikoyan's associates in Copenhagen in August 1952, 3 months after the general-peace contract with Bonn had been drawn up.

"The conference was called at West German initiative with the knowledge of the

West German Government, presumably Chancellor Konrad Adenauer himself. This initiative of respected leaders of German industry, who in the past frequently have been entrusted with semiofficial missions, took place at a time when Moscow publicly scoffed at the Adenauer clique and the Bonn puppets, while most of the West German press thundered against the Kremlin's tyranny. It also was the time when American public opinion hopefully looked forward to a speedy ratification of the European Defense Community.

"MOLOTOV BARES SECRET

"Up to the foreign ministers meeting in Berlin the Copenhagen conference remained a closely guarded secret. For reasons which still keep the Germans guessing, Soviet Foreign Minister Vyacheslav M. Molotov, in his reply to the plan of British Foreign Secretary Anthony Eden, let the cat out of the bag and referred to Copenhagen as an example how countries without diplomatic relations could tackle common problems. The Soviet Foreign Minister on this occasion also suggested that cultural relations between Moscow and Bonn might be renewed.

"Actually, talks between Moscow and Bonn, or rather Düsseldorf, the economic center of the Ruhr, have been going on for about 3 years. In connection with the interest aroused by the news of the Copenhagen conference, it became known that in 1951, during the protracted trade negotiations between Moscow and Peking, four German industrialists were present in the Soviet capital for several weeks.

"West Germany spokesmen point with a certain pride to the fact that Communist China's only foreign trade representation in the Western World, the China Export-Import Cooperation Agency is located in Berlin, Leipzigerstrasse 112, in the Soviet sector.

"BARGAINING WITH CHINESE

"Western European traders and industrialists have to visit that office to meet qualified spokesmen of the Peking Government. It was here that Chinese Deputy Foreign Minister Hsue was closeted with western negotiators during the Berlin conference. Chinese trade prospects are said to have loomed big in off-the-record conversations among diplomatic representatives.

"It may not have been mere chance, German commentators pointedly remarked, that Soviet Deputy Foreign Minister Andrei A. Gromyko and M. S. Williams, director of the United Nations Department of the British Foreign Office, were seen manipulating chopsticks in a long-drawn-out dinner of shark fins and Chinese chicken at the Rankestrasse Ritz.

"The German line is inferring that such meetings were related to the scramble for the eastern and far eastern markets ended invariably with the complaint that the Bonn republic, alone among the major West European countries, lacked direct diplomatic contact with the Soviet bloc.

"A first step has been taken to overcome this predicament. Last October, West Germany's leading business organizations set up an east committee, the Ostaschuss der Deutschen Wirtschaft, which functions as an advisory agency of the Bonn government. From December to January this east committee negotiated in Vienna with Rumanian representatives. On February 8 a commercial clearing agreement was signed calling for \$16 million worth of trade in each direction.

"SATELLITE CONTRACTS

"West German deliveries are to include \$6 million worth of iron and steel products and \$2,400,000 worth of machinery. The Rumanians, in turn, promised to supply \$4 million worth of petroleum, which would raise the Soviet bloc's share in the German petroleum market to more than one-fifth of current imports.

"On March 2 the east committee announced the signing of new commercial agreements with Czechoslovakia and Bulgaria, the former calling for almost twice as much trade as in 1953.

"The east committee also is negotiating in a cordial atmosphere about resumption of German shipping on the Danube and direct clearing through German banks in dealings with other Soviet-bloc countries. It tries to lift the ban on German shipping to Chinese ports. Its representatives are accredited in all major Soviet-bloc capitals as Bonn's duly authorized trade delegates.

"According to Rundschau, of February 5, private West German firms have found out that under Soviet law they are entitled to set up their own market-research agencies in the U. S. S. R., and it is assumed, also, in satellite countries, 'In some cases German exporters are said to have made use of this facility.'"

THE FOREIGN AID PROBLEM

A year ago we heard a great deal of the slogan, "Trade not aid." We were told—and rightly so—that full economic recovery abroad meant a stable, dependable, long-term solution to the problem of the dollar gap. We were told that we would either have to trade with other nations or go on handing out aid to cover the dollar drain on the foreign exchange of other nations.

Lately we have not heard anything about "trade not aid." Instead, the problem has been put off for another year, and we will continue with the stop-gap policy of foreign aid instead.

In this connection I should like to cite the following article from the New York Times of June 13 by Michael L. Hoffman, a very distinguished reporter on foreign economic problems:

"[From the New York Times of June 13, 1954]

"UNITED STATES AID FLOWS TO EUROPE ON AN UNFORESEEN SCALE—FOUR BILLION DOLLARS MORE THAN WAS PLANNED WILL BE REACHED IN A WEEK OR SO

(By Michael L. Hoffman)

"GENEVA, June 11.—Somewhere in Europe within the next week or so a central bank will add to its reserves the four billionth dollar of United States aid money that neither it nor any of its counterparts was supposed to get.

"The bank will only be playing the game according to the rules. The central bank of a country registers, in the movements of its gold and dollar reserves, the net impact on its country's economy of all its foreign transactions.

"The outstanding fact about the present monetary situation in Europe, which does the banking for most of the rest of the non-Communist world outside the United States and its immediate neighbors, is that, contrary to all predictions of European experts, to all statements of policy by United States officials prior to 1952, and thus, contrary to all reasonable expectations of any central bank, the United States Government has continued to pour vast funds into the world dollar stream long after the postwar period of reconstruction in Europe came to an end. Europe is only picking up its chips.

"According to recent figures of the Department of Commerce, 'Government expenditures, even omitting those for military end items delivered under aid programs, amounted to about \$4,600,000,000 in 1953, more than in any year since 1949.' That year, according to United Nations calculations, other countries added to their gold and dollar reserves \$2,300,000,000.

"HOW EVENTS UPSET FORECASTS

"To realize how completely the turn of events has differed from what was expected it is necessary to dig a few items out of the files:

"The Marshall plan for aiding European recovery was supposed to run until mid-

1952. With its end, all exceptional United States economic aid was to cease.

"European planning took the United States at its word with respect to the foregoing item, although bitter complaints were made that it would mean collapse.

"In January 1951, even before the end of the Marshall plan (which was converted into the Mutual Security Program in the summer of that year) aid to Britain was suspended largely on the ground that to continue it would be to utilize appropriated funds to add to Britain's gold and dollar reserves. This principle was inviolate under the Democratic administration—dollars for aid, but not to build up the reserves.

"Had this principle been waived in 1951, it is possible that a great deal of money might have been saved the United States taxpayer and that European central banks would not have such comfortably rising reserves. In 1951 Europe would gladly have settled for a windup of the Marshall plan by means of a \$2 billion to \$3 billion lump grant to provide a cushion against future dollar shortages. Indeed, many European and American economists recommended such a move.

"NEW JUSTIFICATIONS AROSE

"Instead the United States stuck to the project and program method of giving funds on the basis of specific justification as to their use. With the Korean crisis and subsequent rearmament a whole new set of justifications became possible and they were used.

"The result is that Europe got far more as an addition to reserves in the subsequent 2 years than even the most optimistic European monetary official would have dared to hope for.

"Although the purpose of United States foreign aid program has not been to increase Europe's reserves, they have increased by nearly \$4 billion. They have risen by more, during the last year, than the amount of aid labeled by the administration as economic, that is, not directly of a military nature.

"UNITED STATES FOREIGN SPENDING

"The United States Government, entirely apart from aid, is spending money abroad at a rate that equals, and may by now exceed the dollar gap that the rest of the world expected to have to face in the mid-1950's.

"The Department of Commerce estimates that nearly \$1,500,000,000 net was spent abroad last year by the United States Government not as a favor to anyone but because it had to buy that much in the form of services. Most of this was probably the net amount of the pay of United States troops stationed abroad, but there are also other large items such as rents, communications, and the hire of local labor.

"Whatever may happen next, the nearly \$4 billion that have been added to Europe's monetary reserves as a result of the last 2 years' ebb and flow of dollar payments are the biggest single factor making the Western European financial picture look so much better than it was expected only a few years ago to be in mid-1954."

So we have continued to try and overcome the dollar gap through our foreign-aid program. We have, apparently, been relying on economic aid programs to take care of the dollar reserves of Europe.

Yet we ought to face the fact that—at the same time that our aid program has helped to build up dollar reserves abroad—our trade with foreign nations has fallen off drastically. Between 1952 and 1953:

Wheat exports dropped 40 percent.

Cotton exports dropped 40 percent.

Meat product exports dropped 17 percent.

Textile fibers and manufactures dropped 24 percent.

Coal and coal product exports dropped 32 percent.

Iron and steel exports dropped 20 percent.

Petroleum and petroleum products dropped 13 percent.

Ferroalloys and nonferrous metals exports dropped 20 percent.

Industrial chemicals exports dropped 8 percent.

The excess of United States exports over imports, nevertheless, is growing. Last year the dollar gap—so far as trade alone is concerned—reached \$4,873,000. Some of this was made up by foreign aid—but still, United States exports declined.

IMPORTANCE OF FOREIGN TRADE TO OUR ECONOMY

United States exports decline because foreign nations, in the absence of a stable United States trade policy—are maintaining tight restrictions on their dollar expenditures. Though the rest of the world currently has a dollar reserve of \$22 billion, most nations are reluctant to spend those reserves, fearing a recession in this country, increased military needs in the future, or a new wave of protectionism in the United States. Certainly the refusal of the administration to come through with a genuine foreign-trade policy at this session of Congress is not going to make those nations any more eager to trade with us this year.

Ultimately, only enactment of a trade policy that will make a real effort to put world trade on an even keel will induce our trade partners to spend their dollar holdings. We will have to give these nations access to our own market if we are to sell abroad.

Do we need to sell abroad? Everyone knows, I am sure, that though exports total only 5 percent of our national income, some particular exports are absolutely vital to our economy. From 1949 to 1951 we exported 42 percent of our rice, 39 percent of our cotton, 33 percent of our wheat, 29 percent of our grain sorghums, 25 percent of our soybeans, 25 percent of our tobacco, 24 percent of our rolling-mill machinery, 22 percent of our tractors, 22 percent of our sewing machines and parts, 21 percent of our textile machinery, 17 percent of our printing machinery, 17 percent of our oilfield equipment, 11 percent of our agricultural machinery, 15 percent of our motortrucks.

We need to export, just as we need to import. And we do need imports—as the now-famous Paley Commission report pointed out, we are no longer a self-sufficient nation. Today we import 100 percent of our natural rubber, 100 percent of our tin, 100 percent of our industrial diamonds, 100 percent of our coffee, 90 percent of our nickel, 90 percent of our cobalt, 99 percent of our chromite, 95 percent of our asbestos, 90 percent of our manganese, 52 percent of our tungsten, 45 percent of our lead, and 35 percent of our copper and zinc. In the near future we will find ourselves even more dependent on certain essential imports.

We must have access to those vital products if we are to maintain our economy, our standard of living, and our national security. Yet we will only maintain access to those markets if we are able to maintain the patterns of free trade with the free world which will enable the free world to trade with us.

TRADE AND AGRICULTURE

I want to say a few words about the impact of this foreign trade question on American agriculture. American agriculture, as I shall show in a moment, is heavily dependent upon foreign markets. Our Agriculture Department maintains missions and attachés abroad. This is a healthy thing; it is a fine thing that our farm policy and our foreign policy are closely connected. I believe in fact they should be even more closely connected. I believe that our foreign agricultural attachés should maintain an even closer relationship with overall policy matters in our embassies abroad than they do.

American agriculture knows full well the stake which it has in foreign trade.

To illustrate this point, I ask that a letter which I recently received from the Legislative Director of the American Farm Bureau Federation be placed in the body of the RECORD at this point of my remarks.

In order to thoroughly document the well-known fact that the well-being of our agriculture depends upon exports, let me cite the following figures:

From 1949 to 1951 we exported an average of 39 percent of our cotton, 33.5 percent of our wheat, 53.4 percent of our dried whole milk, 42.6 percent of our rice, 33.3 percent of our inedible tallow, 29.6 percent of our dried field peas, 29.5 percent of our grain sorghum, 25.1 percent of our soybeans, 26.6 percent of our rye, 25.1 percent of our tobacco, 26.1 percent of our hops, and 22 percent of our lard. In the last 2 years some of our agricultural exports have dropped alarmingly. Exports in 1954 represented 52 million acres of production; exports in 1953 represented about 30 million acres of production.

Why is this? A large part of it represents a dollar shortage of foreign buyers. They are afraid to spend scarce dollars on American farm produce and are turning to other sources for food and fiber.

World trade channels have become blocked and congested since the war. Bilateral trading is now the prevalent pattern and this type of trading shuts the American producer out of many foreign markets.

Farmers in foreign countries often benefit from protectionist policies which shut out American farm exports. And I might add that foreign farmers often receive higher prices through price support programs of their own than do American farmers.

Many nations since the war have turned to state or government trading to control imports and exports. This type of trading has been used to protect foreign nations against the competition of American farm produce. Those nations which have not resorted to state trading have often resorted to import quotas, exchange controls, and other similar arrangements.

The lack of currency convertibility has aided and abetted bilateral trading and other rigidities in international markets.

This stoppage of world trade has seriously affected our farm exports during the last 2 years.

But it is not beyond our power to do something about it. The American economy is the world's most productive and most progressive economy and produces over 40 percent of the world's total output of goods and services. The weight of this economy at the international bargaining table is tremendous. It is, then, within our power to use our bargaining position to free the clogged channels of world trade, to open markets abroad to our farm exports.

There can be no question that one of our chief problems in this area is the uncertainty of traders abroad concerning future American trade policy. This uncertainty can only be fostered and furthered by a mere 1 year's extension of the Reciprocal Trade Agreements Act, representing a persistent do-nothing attitude toward the liberalization of world trade. A 3-year extension would go far to relieve this problem.

The willingness to consider open American markets to our allies will create markets for the American farmer.

I have repeatedly stressed this problem. Last year I offered an amendment to the Mutual Security Act, which was very much the creation of the Farm Bureau, to authorize the President to sell surplus farm commodities abroad for foreign currency and to utilize those foreign currencies in our mutual-security program. With modifications, that program has been adopted and I believe it can be a measure which will

help open foreign markets to American farm products.

This year I introduced the Farm Trading Post Act of 1954. I submit that bill for the RECORD at this point:

"S. 3020

"A bill to authorize the President to use agricultural commodities to improve the foreign relations of the United States, to relieve famine, and for other purposes

"Be it enacted, etc., That this act may be cited as the 'Farm Trading Post Act of 1954.'

"SEC. 2. It is hereby declared to be the policy of the Congress to use abundant agricultural commodities produced in the United States to strengthen free world economies by promoting additional trade and facilitating economic development of cooperating nations, to relieve famine in free world nations where it may from time to time occur, and to use food and fiber to promote attainment of an honorable peace.

"SEC. 3. As used in this act—

"(a) The term 'agency' means the Foreign Operations Administration or such other department or agency in the executive branch of the Government (except the Department of Agriculture and the Commodity Credit Corporation) as the President may prescribe; and

"(b) The term 'abundant agricultural commodity' means any agricultural commodity the domestic supply of which is determined by the Secretary of Agriculture at any time to be in excess of the quantities required for (1) probable domestic sales, (2) special domestic distribution programs, (3) probable export sales, (4) a domestic civilian defense and security stockpile, and (5) a domestic reserve for commercial working stocks.

"SEC. 4. To implement the policy set forth in section 2, the agency is authorized and directed to—

"(a) purchase on the open market abundant agricultural commodities or purchase from Commodity Credit Corporation stocks of such commodities heretofore or hereafter acquired by Commodity Credit Corporation, and to make available such agricultural commodities as may be required from time to time, for transfer free on board vessels in United States ports (1) to any nation friendly to the United States in order to meet famine or other urgent relief requirements of such nation and (2) to friendly but needy populations without regard to the friendliness of their government, providing that such commodities will be so distributed as to relieve actual distress among such populations. To effectuate the distribution within foreign countries of commodities transferred under this subsection, the President shall utilize to the greatest practicable extent the voluntary services of such private nonprofit agencies and organizations composed of United States Nationals as he shall determine to be capable of conducting such distribution in such manner as best to carry into effect the purposes of this subsection;

"(b) purchase from Commodity Credit Corporation abundant agricultural commodities heretofore or hereafter acquired by the Commodity Credit Corporation, and to make such purchased commodities available for sale, and to deliver such commodities as may be sold at such times, in such quantities, and at such places within the United States, including free on board vessel American ports, as the President may direct; and

"(c) from any funds available to it and subject to terms and conditions prescribed by the President, to convert into dollars the foreign currencies received by exporters in payment for the sale of abundant agricultural commodities which have been sold by exporters pursuant to this act.

"SEC. 5. The President is authorized and directed to enter into agreements with friendly countries for the sale and export of such abundant agricultural commodities un-

der conditions negotiated by him with such countries and to accept in payment therefor local currency for the account of the United States. In negotiating agreements for the sale of such commodities, the President shall—

"(a) authorize sales and export of such commodities by private exporters;

"(b) use private trade channels to the maximum extent practicable;

"(c) take special precaution to safeguard against the substitution or displacement of usual marketings of the United States or friendly countries, and to assure to the maximum extent practicable that sales prices of such commodities are consistent with world market prices of like commodities of similar quality;

"(d) give appropriate emphasis to underdeveloped and new market areas; and

"(e) obtain assurance that the purchasing countries will not resell or transship to other countries or use for other than domestic consumption commodities purchased under this program without specific approval by the President.

"SEC. 6. The President shall use the foreign currency proceeds of sales authorized in section 4 for the purpose of the Mutual Security Act of 1951, as amended (Public Law 118, 83d Cong.), giving particular regard to the following purposes:

"(a) For providing military assistance to countries or mutual defense organizations eligible to receive assistance under the act;

"(b) For purchase of goods or services in friendly countries;

"(c) For loans, under applicable provisions of the act to increase production of goods or services, including strategic materials, needed in any country with which an agreement was negotiated, or in other friendly countries, with the authority to use currencies received in repayment for the purposes stated in this section or for deposit to the general account of the Treasury of the United States;

"(d) For developing new markets on a mutually beneficial basis;

"(e) For grants-in-aid to increase production for domestic needs in friendly countries; and

"(f) For purchasing materials for United States stockpiles.

"SEC. 7. The President is authorized to enter into such agreements with third countries receiving goods accruing from the proceeds of sales made pursuant to this section as he deems necessary to effectuate the purpose of this act.

"SEC. 8. Commodity Credit Corporation shall be reimbursed for commodities transferred to the agency under this act at the rate specified by section 407 of the Agricultural Act of 1949, as amended (7 U. S. C. 1427). Any funds or assets available to the Commodity Credit Corporation may be used, in advance of receipt of appropriations or payments authorized by this act, to carry out the purposes of this act.

"SEC. 9. (a) There are hereby authorized to be appropriated annually to the agency, out of any money in the Treasury not otherwise appropriated, such sums, not to exceed the following amounts, as may be required—

"(1) for activities authorized by section 4 (a) of this act, not more than \$100,000,000; and

"(2) for all other activities authorized by this act, not more than \$500,000,000.

"(b) The agency is authorized to enter into agreements and commitments for the transfer of abundant agricultural commodities pursuant to this act for periods not to exceed 3 years after the date of execution of such agreements or commitments."

These are first efforts to aid American agriculture in its foreign-trade problems. We can do as much, or more, by enacting today a 3-year extension of the Reciprocal Trade Agreements Act and the recommenda-

tions of the President which that extension carries. This will reduce uncertainties abroad about our intentions and it will enable us to take further steps to clear world trade of the rigidities and abnormalities which now beset it.

I submit a letter addressed to me from John C. Lynn, legislative director of the American Farm Bureau Federation, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D. C., June 22, 1954.
The Honorable HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: We have been asked about the position of the American Farm Bureau Federation relative to the extension of the Reciprocal Trade Agreements Act. We favor a 3-year extension of this act, with some improvements. We believe the United States should use its leadership to bring about realistic trade agreements and trade arrangements among free nations to progressively reduce trade barriers and expand mutually advantageous private trade. To this end the President should be authorized to negotiate changes in United States tariffs and import restrictions, with special emphasis on excessive industrial tariffs and on items with duties in excess of 25 percent ad valorem, in return for concessions from other countries with respect to tariffs, import quotas, exchange controls, and other trade barriers. We should offer more stability in tariff rates and customs for reasonable periods in return for comparable reciprocal benefits.

The Tariff Commission, as well as the President, should be required to take into consideration the national welfare and the international trade interests of the United States in proceedings under this act. Additional legislation to further revise and simplify United States customs laws, regulations, and procedures, and the elimination of legislation and regulations which require "Buy American," are also badly needed.

The prosperity of all American agriculture is dependent upon the maintenance of a high level of United States agricultural exports. Largely due to the loss of exports, we are now faced with accumulating surpluses, declining prices, and the necessity of diverting from production about 25 million acres in 3 crops alone—wheat, cotton, and corn—in 1954.

The most satisfactory solution to the current farm problem is to expand domestic and foreign markets until they balance agricultural production. If we are to accomplish this result, it is imperative that we put into operation a domestic price-support policy which will be consistent with our foreign-trade objectives, which will yield the maximum net income for farmers instead of pricing us out of the market at home or abroad.

It is also imperative that we take constructive steps to dispose of existing burdensome surpluses in ways which will not unduly disrupt markets. One of the most effective steps to this end would be the early enactment of S. 2475 with some clarifying amendments.

The American Farm Bureau Federation believes that if we are to maintain and expand trade the United States should put into operation the programs outlined above. We urge prompt action by the Congress toward the accomplishment of these needed measures.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

CONCLUSION

In conclusion, I would like to suggest that we try to look at this trade problem in the perspective of the critical demands on our foreign policy.

We are concerned today about the European Defense Community, and so we ought

to be. But we ought also to be concerned about the European economies, and we ought to be doing something to build a permanent economic underpinning for the defense of the free world in that area. That cannot be done by foreign aid, for our aid program is, and must be temporary. It can only be done by freeing the channels of trade, for it is trade on which the economies of Europe depend.

We are concerned today about the situation in southeast Asia, and we certainly ought to be. We are talking about alliances in Southeast Asia and the Far East. But what are we doing about the enduring economic basis of such alliances? What are we doing to build the fledgling economies of the new nations in that area? We are asking them to fight. We must also enable them to become economically strong.

Taken together with Japan, the whole of Southeast Asia is one economic unit. The peoples of those nations want to industrialize their economies, so as to become economically, as well as politically, independent. We can help them to do this, and in doing so, lay the economic foundations of freedom in that area. But we will have to create a far-sighted trade and investment policy to do it.

I think we have put this policy off too long already. We have put it off too long for our own national security. I have grave doubts that either the studies or the program of the President's Commission on Foreign Economic Policy are the last word on the program we need. But I am willing, and glad, to take them as first steps toward a comprehensive foreign economic policy.

The American economy has long led the free world. Here is another chance for leadership, by using our influence and the bargaining power of our great economy to free the channels of world trade and loosen the rigidities of foreign enterprise. This is the sound road to the military and political strength of our Nation and the whole free world. Let us act now.

Mere extension of the Trade Agreement Act for a year is not leadership. It is not executive leadership within the framework of our Government. It is not leadership of the free world by the leading economic power of the world. Instead, it is compromise and retreat at a time that long-range policy and forward advance are urgently needed.

We have talked a lot in recent months about seizing the initiative in foreign policy. While we have been talking, the Russians have been seizing the initiative in the field of trade policy. If we do not soon solve the problem of investment in underdeveloped areas, the Soviets will have the initiative there also because of the appeal of communism as a shortcut to the industrialization which the peoples of underdeveloped areas crave. The United States has been losing leadership in this field, and our present failure to move ahead with a long-term foreign economic and trade policy is simply abdication of leadership.

Let us use the leadership that is ours, by virtue of the progressiveness and productiveness of our economy, for the cause of our own and the free world's security. Let us get started on a durable foreign economic policy.

Mr. GORE. Mr. President, I yield 6 minutes to the distinguished junior Senator from Alabama.

Mr. SPARKMAN. Mr. President, Justice Holmes once said:

"We must sail sometimes with the wind, sometimes against it; but we must sail and not drift or lie at anchor."

Since the chilling days of 1934 we have firmly directed our foreign economic policy toward the twin goals of security for the American nation and prosperity for

the American people; we must not begin to drift aimlessly now.

During these past two decades our record of accomplishments is the measure of our success. The American people enjoy an abundance the equal of which the world has never before seen. A continuation of this abundance depends in large part on the maintenance of our vast export markets. We have fought a world war and emerged as the victorious leader of a coalition of free nations. Since the war we have strengthened our allies in the common fight against the menace of communism.

Both our prosperity and our position of leadership have been made possible by our enlightened foreign economic policy.

The economic chaos and the industrial stagnation threatening Europe in 1947 were averted by the European recovery program, and with it the hopes of the Soviet Union for quick and bloodless conquest in the West. It was not fortuitous that our allies joined us in collective action in Korea. It is no accident that Communist Party strength in Western Europe has decreased as European productivity increased. These are concrete results of an economic and military aid program which pumped \$30 billion into the life stream of Western Europe during a critical period. These are positive accomplishments of our foreign economic policy.

In 1954, the time has come for a re-evaluation of our foreign economic policy. Western Europe's industrial production is 45 percent above its prewar level; Japan's devastated industry has increased its output sixfold from the postwar low in 1946, until it now exceeds prewar production. The first phase of the NATO buildup of armed forces has come to an end; we have established vital production bases in Europe and the Pacific. We, as well as our allies, realize that the time for gifts is passing. Indeed, our allies do not want to be kept on the American dole. But, having helped them to reconstruct their industries, shall we close to them the largest free-world market?

With the inevitable end of American aid programs, we may expect a deepening of the dollar-gap problem unless other steps are taken. Nations must sell in order to buy. If they cannot trade with us, they will be forced to trade with the Soviet Union and its satellites.

We should take warning from the statement of Stalin in 1952, that the division of the world into two parallel and distinct world markets is, for the Soviet Union, "the most important economic consequence of World War II." The countries of western Europe, following our lead, have reduced their trade with eastern Europe to 25 percent of its prewar level, while expanding trade with the United States. It would be a political and economic catastrophe if we forced a reversal of this trend.

At this critical juncture, we must be careful not to dissolve the economic tie which has bound the free nations together since World War II. We must recognize that trade is essential to the economic life of our friends. We must

have sufficient statesmanship to recognize that domestic import quotas and tariff barriers will result, at the best, in neutralism; and, at the worst, will drive other countries into the arms of Russia.

The security interests of the United States demand a foreign economic policy which gives our allies assurance of access to United States markets and stability in their trade relations with us. Otherwise, we and our friends will inevitably drift apart. Then we, not our allies, will be the principal losers.

The effect of our economic isolation would fall not alone on our allies and on our own security interest; it would equally damage the prosperity of our people. We are exporting at the rate of \$15 billion a year the output of our farms and factories. In 1952, the last year for which figures are available, 4¼ million workers, 7 percent of our working force, depended on foreign trade for their livelihood.

These figures are even more startling when applied to specific products. In spite of the high level of trade, we have seen a decline in specific products. In 1952 we exported 29.8 percent of our cotton crop, worth \$862 million. In 1953 our cotton exports declined 40 percent to \$517 million. In 1952 we exported \$3.6 million worth of peanuts; in 1953, \$3.4 million. In 1952 we exported \$621 million worth of iron and steel mill products; in 1953, \$495 million. Cotton textile exports declined from \$213 million in 1952 to \$172 million in 1953. If such declines continue, the paychecks of our workers and farmers will suffer. An expanding trade is the only answer to our vigorous American production.

It is significant that as total agricultural exports in 1953 declined \$600 million, net farm income in the United States dropped \$700 million. In the face of figures like these, we should not close our eyes to the fact that a world dollar shortage will soon be translated into overproduction and unemployment in the United States. The continued health and expansion of our economy demand export markets. These, in turn, can be held only if foreign nations are able to buy our products. Without dollars, they are helpless. Unless we wish to subsidize our own exports by gifts, we must continue to adjust our trade barriers so that our friends can both sell and buy in the United States.

We must not now dissipate our foreign and domestic strength through a policy of inaction, of drifting. Once the evidence is in, decisions are not made easier by delay. Soon we must decide on the course of our foreign economic policy, or else lose by default what we have labored so patiently and so bloodily to gain: a strong and united America leading a coalition of free nations.

The preservation of our democratic values depends upon positive action to maintain our security and prosperity. Therefore, I urge Senators on both sides of the aisle to join me in supporting the amendment offered by the Senator from Tennessee [Mr. Gore] for himself and other Senators to House bill 9474.

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that an editorial entitled "The Larger Truth," appearing in today's issue of the Washington Post and Times Herald, be printed at this point in the RECORD, following my statement.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LARGER TRUTH

President Eisenhower, in a series of homely examples, proved effectively in his talk before the National Editorial Association that 2 and 2 sometimes make 22. Mr. Eisenhower listed a number of isolated "truths" that often are called to his attention as bases for national policy. For instance, the United States cannot carry the remainder of the world on its back; it should stop giveaway programs; it ought not to trade with nations that trade with the Communists; it ought not to become involved in a war in southeast Asia; and it ought to protect American products against import competition. These observations brought a round of applause from the visiting editors.

Then Mr. Eisenhower shifted his approach sharply. Each of the points contains a grain of truth, he said, but put together they would add up to a policy of incredible national folly in specific situations. The example he gave is Japan. "If we cannot give her money, if we will not trade with her, if we do not defend southeast Asia where Japan has some markets, what is to happen to Japan? It's going to the Reds."

The prevention of new Communist economic conquests is not the only nor even the most important reason why world trade ought to be increased, but the President has placed one facet of the problem in compelling perspective. A similar necessity to see the forest through the trees applies in relations to half a dozen European countries as well. For it is an elemental lesson in world affairs that we must deal with conditions as they are, not as we might like to have them. It is ironic that Mr. Eisenhower's cogent remarks came just as the Democrats in Congress launched a drive for his trade program which the members of his own party have shorn down to almost nothing.

Mr. MILLIKIN. Mr. President, I yield to the Senator from Georgia [Mr. GEORGE] such time as he may desire, from the time available to me.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. GEORGE. Mr. President, I wish to make only a very brief statement on this matter.

From the beginning of the Trade Agreements Act, I have been a very strong advocate of the act.

Originally, 20 years ago, when the Trade Agreements Act was in its initial stages, the burden fell upon 2 or 3 of us on the Finance Committee. At that time I very ardently advocated the proposal. I did so primarily for the reason that I thought it might result in lowering some exorbitantly high tariffs. But I also felt that the time had come when we could discover a more scientific method of fixing tariffs than by general tariff legislation. Anyone who has lived through the consideration in this body of a general tariff act will know exactly what I mean. Having lived through a portion of the 1928 consideration of the general tariff revision, and also through that of 1929 and that of 1930, I had become convinced that there should be a better

method of fixing our tariffs than the old method of general tariff revision.

I would shudder to think what would happen now if we were called upon to enter a general tariff revision of all rates and all schedules involved in our tariffs. Therefore, I thought this method would be one of the approaches, at least, that would lead us to a scientific method of fixing tariffs.

In this particular instance, Mr. President, I wish to make my own position clear and plain, because of my long activity in this field. When it was suggested that we take up the extension act—just a few days ago, as every Member of this body will recall—it occurred to me that there was not sufficient time, in view of the other duties and responsibilities resting upon the Finance Committee, to undertake a necessary review of our trade-agreements program, from the first down to the present date.

I believe it is necessary and highly desirable to have a general review of our trade agreements. I think we should have an opportunity for a very full and very comprehensive study of our whole international trade problems. In view of the changed conditions in the world—the changed economic conditions and the changed trade relationships and trade conditions—it seems to me that it is highly desirable that we consider this entire problem after we make a very exhaustive and a very, very comprehensive study of it. I therefore felt that if anything was to be accomplished at this session of the Congress the best we could do would be to extend the act for a year. The House has already approved a year's extension from June 12, the date of expiration of the old act. We could not hope to give full consideration to all the facts and to the changed conditions which exist in the world at this time without full study, after a full hearing. Therefore I felt that the 1-year extension was the very best that could be done intelligently at this time with reference to this problem. I stated to the committee when we met to consider the extension of the act, and to the able chairman of the committee, that I would go along with the 1-year extension.

I thoroughly believe in a trade-agreements program. I know that it should be made reciprocal, and I know that there are a great many other things which ought to be considered in connection with the extension. I believe it is wiser, on the whole, to have an extension for 1 year, during which we can do the necessary work, rather than to extend the act for 3 or 5 years—which might be desirable from many points of view—without the study and consideration which I hope we shall have the time to give to the subject in the next Congress.

Mr. President, that is all I desire to say on this subject at this time. It seems to me that in determining our legislative course we must have due regard to what is possible of accomplishment, and what is practicable. We must take the very best course that is possible consistent with all the facts and circumstances existing at the time.

I do not believe it would be possible to extend the act for 3 years. In the first

place, I do not think it is desirable to do so without the careful hearings and study to which I have alluded. I believe that an extension for 1 year will give us an opportunity to go into the subject with the degree of care which is so highly necessary to a thorough understanding of such a large problem. It is a large problem. It is one which vitally affects all of our economy.

For the reasons I have indicated, I shall vote for only a 1-year extension at this time. I do not surrender any of my previous convictions about the desirability of the program, extended over a sufficient number of years to make it workable and to demonstrate what can be accomplished through it.

I thank the Senator from Colorado [Mr. MILLIKIN] very much.

Mr. MILLIKIN. Mr. President, I yield 5 minutes to the Senator from Connecticut [Mr. BUSH].

Mr. BUSH. Mr. President, I have a good deal of sympathy with the substance of the amendment offered by the Senator from Tennessee [Mr. GORE], because it carries out certain recommendations of the Randall Commission, on which I had the privilege of serving. Those recommendations were carefully considered and, if adopted by the Congress, would, in my judgment, have a beneficial effect in stimulating trade among nations in the free world. With the retention of the peril point and escape clause provisions, properly administered, imports into the United States can be so channeled as to result in benefit to our economy without injury to domestic industry and its workers.

However, I am compelled to vote against the amendment, because it can serve no useful purpose at the present time. Under our Constitution, tariff legislation must originate in the House of Representatives. The Ways and Means Committee of that body takes the stand that it must give this question very careful and deliberate consideration. It was unable to do so this year because of the heavy burden of work undertaken in drafting the tax revision bill, extension of the social-security system, and other matters.

While the Randall Commission's study provides basic groundwork for this legislation, I believe that the questions involved are so important as to warrant further consideration by the House Ways and Means Committee and by the Senate Committee on Finance. We have been assured that the House committee will start hearings promptly, and I trust that legislation will be recommended early in the next session of the Congress.

Our friends on the other side of the aisle have claimed that they are supporting the President of the United States in offering this amendment. That claim is without foundation. The only result of adoption of the amendment would be to throw the trade agreements program into confusion. The actual choice before us is a 1-year extension of the Trade Agreements Act, or nothing.

I say that because of the knowledge which I have, and which many of my friends on both sides have, as to the attitude of the House Ways and Means Com-

mittee, which simply will not accept the amendment offered by the Senator from Tennessee without holding a hearing on the entire subject. So I can see no basis for a compromise in conference even if the pending amendment were agreed to.

The President has recommended that a 1-year extension be enacted, and has stated his reasons in a letter to Mr. Charles H. Percy, as follows:

Accomplishing enactment of the heart of the program—extension of and amendment of the Trade Agreements Extension Act of 1951, as amended—would, I believe, best be served by careful and deliberate action taken on the basis of extensive and unhurried hearings. In this way the wide public support for the program that I know exists and to which you attest, will have adequate time and opportunity to express itself. Moreover, those who are opposed would have full opportunity to be heard. It is my hope and expectation that the Committee on Ways and Means, following the pattern of its historic work last year on the tax bill, will initiate consideration of the trade agreements aspect of the program in ample time so that full and adequate hearings may be completed between now and the convening of the Congress next January. Under this procedure the prospect for consideration by the Congress early next year is excellent.

Since the present act expires on June 12, 1954, a simple 1-year extension will, of course, be required for the interim period.

Mr. President, Senators who really wish to support the President on this issue should vote against the amendment now under consideration.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. MILLIKIN. Mr. President, I yield 10 minutes to the Senator from Pennsylvania [Mr. MARTIN].

Mr. MARTIN. Mr. President, I shall vote for the bill to extend the Reciprocal Trade Agreements Act for 1 year.

I have reached this decision in the hope that the industries vitally affected by injurious tariff rates may be given an opportunity to present their just grievances for consideration by Congress.

I am hopeful that proper and adequate steps can be taken that will restore employment to the many thousands of American citizens who have been deprived of a livelihood by competition from low wage scale foreign countries.

American policy relating to trade with other nations presents many complex problems. It has been the subject of controversy since the earliest days of our Republic.

But in all our history the strongest economic expansion and the soundest prosperity were achieved under a policy which gave protection to American industry, kept the American workman gainfully employed, and assured the farmer an adequate price for the products of agriculture.

I have complete confidence that Congress, after full hearings, will be able to develop sound tariff policies that will protect the interests of all Americans, and at the same time will help to advance the economic strength of the free nations of the world.

We must do all in our power to promote and encourage the full and fair interchange of goods among nations.

But we must provide every safeguard to insure that this trade is really fair and without danger to our own economy.

Let me point out, Mr. President, that I have always advocated reciprocal trade agreements between the United States and our friends overseas. I agree with the President that such agreements are essential to the stability of our own country and to the unity of the free world. I agree that when equitably conceived and administered such reciprocal arrangements can be the instruments for increased commercial intercourse between nations as well as the means of bringing them closer together in friendship and understanding.

Let me say, Mr. President, that I have always looked upon reciprocity from the standpoint of its true meaning. Real reciprocity, as I understand the term, is a two-way operation, providing mutual benefits to both parties concerned.

The great Commonwealth of Pennsylvania, which I have the honor in part to represent, has a tremendous stake in tariff and trade decisions. The right to be heard when such matters are under consideration is of vital importance to our industry, labor, and agriculture.

But, Mr. President, the Commission on Foreign Economic Policy, better known as the Randall Commission, gave no hearing to the industries that are being put out of business by the flood of cheap labor imports.

No opportunity was given the spokesmen for labor to tell how jobs are being destroyed by the operation of so-called reciprocal trade agreements that are not reciprocal.

These Americans have a right to tell their side of the story.

They have every right to present facts and figures to show that they need more adequate tariff protection to keep industries prosperous and our workers in their jobs. To maintain the American standard of living, the workers, together with the farmers, must continue to be the great buyers and consumers of our industrial production.

That basis for a sound domestic economy was recognized by the Randall Commission in its report but ignored in its recommendations. One of the most pertinent paragraphs in the report stated:

It must be borne in mind that in considering the matter of international trade and its enlargement the Commission was required to consider such enlargement as would be consistent with a sound domestic economy. This qualification is as important as the positive part of the directive given us. Even abroad it is recognized that, national security having been assured, the most important single element essential to the expansion of world trade and strengthening of the free world is the maintenance of a sound and strong economy in the United States.

That is a grand statement. Nothing could be more accurate.

Our first and foremost objective must always be the maintenance of a sound and strong economy in the United States.

And yet the Randall Commission, seemingly without regard for a sound and strong economy, ignored the danger to our country from trade policies

that have already inflicted serious damage to a long list of diversified industries.

In my own State of Pennsylvania unemployment is most severe in those areas affected by import competition. They are the areas that produce chemicals, electrical equipment, coal, glassware, chinaware, pottery, cement, lace, carpets, rubber footwear, wallpaper, hats, cutlery, watches, textiles, wool, dairy products, meats, and scientific instruments.

Mr. President, I am confident that when the situation is brought out into the open and the facts are placed before Congress effective and affirmative action will be taken to correct conditions that mean the loss of jobs for American workers and the bankruptcy of many industries.

In view of existing circumstances and the need for complete and thorough hearings, I am willing to accept the extension of 1 year proposed in the pending bill and will vote for its enactment.

Mr. LONG. Mr. President—

The PRESIDING OFFICER. Does the Senator from Tennessee yield time to the Senator from Louisiana?

Mr. DANIEL. Mr. President, I send an amendment to the desk and ask that it be stated. It is an amendment to the amendment offered by the Senator from Tennessee [Mr. GORE].

The PRESIDING OFFICER. The Secretary will state the amendment to the amendment.

The LEGISLATIVE CLERK. On page 2, line 3 of the Gore amendment, it is proposed to strike out the words "three years" and to substitute in lieu thereof the words "one year."

PROTECTION OF DOMESTIC ECONOMY

Mr. DANIEL. Mr. President, I yield myself such time as I shall require.

I am sympathetic with the high ideals and purposes expressed by the proponents of the 3-year extension of the Reciprocal Trade Act.

True reciprocity in trade, under a program which meets the general economic and security needs of the Nation, is a concept which I wholeheartedly endorse.

However, I am hesitant to support a lengthy extension of the present Trade Agreements Act under the assumption that absolute reciprocity now exists, or that the present program entirely coincides with the Nation's security requirements.

It is my conviction that Congress itself must face up to many basic questions which are left unanswered by our present trade policy, and that Congress may be called upon very shortly for action necessary to protect domestic production and industry essential to our prosperity and national security.

I would not want my vote for the extension of the Trade Agreements Act to be interpreted as an indication that the junior Senator from Texas is satisfied that this act will solve all our problems of foreign trade, or that Congress is divesting itself of its authority and turning it over to the executive agencies exclusively for another 3 years.

In other words, even if this Trade Agreements Act is passed, I am certain that Congress will be called upon at this session or at the next session to consider further legislation concerning import quotas and tariffs which may be necessary to protect certain phases of the domestic economy.

When that time comes, I should like to know from the proponents of the 3-year extension that they will not feel that the hands of Congress are tied by this proposed extension. I wish to be sure that my vote for the extension will not be so interpreted.

Mr. GORE. Mr. President, will the Senator yield?

Mr. DANIEL. I yield.

Mr. GORE. As a sponsor of the amendment providing for a 3-year extension and further liberalization of the present act, I can assure the distinguished junior Senator from Texas that I have no such desire; nor do I know of anyone who does have a desire in any way to tie the hands of Congress. Congress will be in session, and if an inequity arises, I am sure Congress will be willing to give it sympathetic consideration.

Mr. DANIEL. Specifically, as the junior Senator from Tennessee knows, in the State of Texas there is strong support for his amendment from cotton producers and producers of other agricultural products.

On the other hand, there are chemical manufacturers, those engaged in the glass industry, independent oil producers—as distinguished from some of the major producers who own middle eastern oil—fishermen, wool producers, and cattle raisers, who have opposed the 3-year extension principally on the ground that it might delay consideration by Congress of their particular problems in the field of foreign trade.

I take it from what the Senator from Tennessee has stated that there will be no argument, at least on his part and on the part of the cosponsors of his amendment, that Congress is divesting itself of the control of this problem by the adoption of his amendment, or that Congress should not consider economic conditions in certain fields of production and industry.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. DANIEL. I yield.

Mr. GORE. I believe that I can speak for all who are coauthors of the pending amendment. At least, I know that I can speak for myself. I will stand ready, as I believe every Member of this body will stand ready, to treat equitably and fairly any condition that may arise threatening the integrity and the life of a major segment, or a minor segment, of our society.

I should like to point out that only last week the Senate passed two bills providing tariff relief. The distinguished Senator from Connecticut [Mr. Bush], who spoke a few moments ago, introduced a bill, which has now been passed, providing for a change in the classification of shoes. He brought examples to the floor of the Senate which showed that a subterfuge is being practiced in order to take advantage of the classification. There-

fore, that bill was passed. I do not believe a dissenting vote was cast against it.

Two such bills were passed by the Senate this week. Those examples are sufficient proof of the fact that the Senate stands ready to give sympathetic consideration to any hardships that may arise.

Mr. DANIEL. I appreciate the examples cited by the Senator from Tennessee and his attitude in reply to my remarks.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DANIEL. I yield to my colleague from Texas.

Mr. JOHNSON of Texas. I should like to ask the junior Senator from Tennessee if it is not a fact that under the 1-year extension bill reported by the Finance Committee, and advocated by the chairman of that committee, import taxes on crude oil can be reduced as much as 50 percent.

Mr. GORE. That is true. I know of no intention on the part of anyone in the Government to make such a reduction. As a matter of fact, I know of no intention to make any reduction whatsoever in the import tax on crude oil. To answer the Senator's question categorically, however, the bill providing for a 1-year extension does contain authority to make a 50-percent reduction in the import tax on crude oil.

Mr. JOHNSON of Texas. If we extend the legislation 1 year, we extend for 1 year the authority to reduce the crude oil import tax by as much as 50 percent, do we not?

Mr. GORE. That is correct.

Mr. JOHNSON of Texas. Under the Senator's amendment, how much would it be?

Mr. GORE. Only 5 percent a year for a maximum of 3 years, which ultimately might mean a maximum of 15 percent.

I should like to add that I know of no intention on the part of any agency of Government to make any reduction, under either bill.

Mr. DANIEL. I hope there is no such intention, because that industry, as the Senator knows, is one of those which present a problem in my State. It is an equally important problem to the entire Nation. In Texas today, as the Senator knows, our production is based on a conservation program in which 140,000 wells average 18.2 barrels a day in production. They are cut down to certain amounts of production a day. In addition to that, our conservation authority has found it necessary to cut the producing days to 16 days a month because of the excessive imports of oil from foreign countries, especially from the Middle East. The senior Senator from Texas and the Senator from Tennessee have touched on an important problem so far as the State of Texas is concerned. It is important to the independent producers who have domestic production alone. It is not such a problem for the major companies who also own some of the Far East oil.

EXCESSIVE OIL IMPORTS

During the past year, while waiting for the Government to form its policies, a number of leaders in our State have at-

tempted to get importing oil companies to exercise industrial statesmanship through a voluntary reduction of oil imports. Outstanding in this regard has been Gen. Ernest O. Thompson, chairman of the Texas Railroad Commission. This effort has resulted in at least a slowdown of the ever-increasing volume of imports and has contributed to a tacit recognition on the part of the importers, through that slowdown, that excessive imports constitute a definite threat to the domestic oil producing industry.

Nonetheless, the oversupply of oil has become so aggravated over a period of months that the conservation commission in my State has had to resort to repeated cuts in allowed Texas production, in order to stay in line with Texas conservation statutes which require that production be related to demand. The commission had no choice. Either cut allowables, and make room for foreign oil, or not cut allowables, and ruin an historically successful system of conservation.

Only Friday of last week, the Texas Commission was forced by such circumstances to cut the number of days of allowed July production to 16 days, in order to accomplish an import-induced, 190,000 barrel-per-day allowable cut. It is obvious, therefore, that this problem has not been solved by industrial statesmanship nor by administrative action.

This situation is not confined to Texas. It is true all around the country, wherever oil is produced. This problem does not pose a threat to the economy of Texas alone. It is a threat to the economic health and security of the entire Nation.

Accessible oil is vital to defense. This has been expressed many times and in many ways by numerous military leaders. I will not endeavor to quote them here. I would, however, like to quote from an address on the Senate floor on April 14, 1953, by Senator FRANK CARLSON, when he said:

Petroleum, indispensable as it is to the modern military machine, must be available when we need it. The tank, the jeep, the jet plane, the battleship would rust in uselessness if petroleum were not available.

We know from the experience of two world wars that foreign oil delivered by tankers is unreliable. The ocean-tanker routes are open prey to the enemy snorkel, but the 500,000 individual oil wells scattered throughout 27 States of this Nation are not. The military and Government officials concerned have agreed that the first priority of supply is the domestic industry within our own borders. Reasonable men will not argue this point.

Most unfortunate, from a security point of view, is the fact that we have become disturbingly and increasingly dependent on oil at Russia's doorstep. I am speaking, of course, about oil from Saudi Arabia and the other Middle Eastern countries. Aside from the fact that we may be building up a supply of oil for use by Russia, we threaten to thus impair our own industry's defense capabilities. We must, at all costs, be assured of an adequate supply of accessible oil, either within our own borders, or within some practical line of wartime defense.

President Eisenhower, on many occasions, has expressed his concern as to the necessity of a strong program of strategic materials development. He clearly regards oil as such a material. In a televised address to the Nation on April 5 of this year, the President said:

The Russians produced last year something less, probably, than a half a billion barrels of oil. We produced two and a quarter by ourselves. We produced something over twice as much steel as they produced. Now these are strong elements in our economy, when you are going to use so much of your production to wage a war, particularly a war of exhaustion.

Now all these things are deterrents upon the men in the Kremlin. They are factors that make war, let us say, less likely.

Earlier, in his state of the Union message, of January 4, 1954, the President said that recommendations would be made, from time to time, in various fields. One of these would lead toward the adoption of "A sound program for safeguarding the domestic production of critical and strategic metals and minerals."

Even before the above speech, on May 28, 1953, the President approved a statement by Secretary of Interior Douglas McKay to the National Petroleum Council, the latter part of which reads as follows:

I am hopeful that those companies importing crude oil or products will show industrial statesmanship in this important matter and that each company, acting individually and wholly on its own individual judgment, will exercise that restraint in respect of imports necessary to the health and security of the Nation.

I have discussed this matter with President Eisenhower and the National Security Council. I can say to you that President Eisenhower concurs in these views.

As I have noted above, industrial statesmanship has not brought forth the necessary reductions, and the industry now has a capacity to produce more than 1,500,000 barrels of oil per day over what is now being produced.

Mr. President, it is apparent that unless we have a greater degree of industrial statesmanship on oil imports at an early date, the Congress will have to set in action a quota or tariff program which will protect our national economy and security. I hope that any such legislation will be based on reciprocity so that Western Hemisphere nations which buy our exports will be given every consideration and that imports from foreign countries will have some relation to their purchase of exports from our country.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield further?

Mr. DANIEL. I yield.

Mr. JOHNSON of Texas. I wish to concur wholeheartedly in what the junior Senator from Texas has said. Unless the industry is able to provide the statesmanship necessary voluntarily to curb imports and stop flooding the Nation with imports, it will be necessary for the Congress to take a hand and place some restrictions on importation. Is not that the view of the Senator?

Mr. DANIEL. That is exactly my view. We cannot continue to cut down our production to 16 days a month to make way for foreign imports and still

have a prosperous and developing industry for the protection of our country in the future.

Mr. President, I appreciate the response given earlier by the distinguished Senator from Tennessee, but there is one other question which I should like to propound to him as the sponsor of a 3-year extension of the act. If the Senator from Tennessee should become convinced that excessive oil imports are endangering our domestic production and security, would he give sympathetic consideration to legislation which might be necessary to remedy the situation?

Mr. GORE. My answer to that question is an emphatic "Yes." I should like to place an addendum to my answer by saying that a proposal coming from the two distinguished Senators from Texas would add persuasion to anything submitted.

Mr. DANIEL. I thank the Senator from Tennessee.

Mr. KENNEDY. Mr. President, will the Senator from Texas yield in order that I may ask a question of the Senator from Tennessee?

Mr. DANIEL. I yield.

Mr. KENNEDY. Is it not true that the Gore amendment would prevent the tariff from being lowered as far as it could be lowered under the present law on all commodities, where a reduction of 15 percent in the present tariff would be higher than 50 percent under the 1945 act, or where the present tariff is not as high as 50 percent ad valorem, or where the 50 percent ad valorem figure for such commodities would still be greater than such tariff would be if it were reduced one-half of its 1945 level?

Mr. GORE. The answer to that question is "yes," with the exception of those commodities which are not now being imported into the United States or which are imported in only negligible quantities. I believe the amendment which I have offered provides far more protection against the importation of certain commodities, such as crude oil, to which reference has just been made, than would the 1-year extension bill which is now before the Senate.

Mr. KENNEDY. And, therefore, as to those industries which have not been reduced 50 percent of the 1945 figure, there would be more protection offered to them than there would be under the present law.

Mr. GORE. Yes. The 1-year extension bill reported by the affable and able Senator from Colorado would permit a 50 percent reduction in imports from Japan. The amendment which I have offered would provide that such reductions must be spread over a period of 3 years.

Mr. KENNEDY. Under the Senator's amendment, I believe it would permit a 15 percent reduction over a period of 3 years.

Mr. MILLIKIN. Mr. President, will the Senator from Texas yield?

Mr. GORE. Before the Senator yields permit me to make clear that the 5 percent—

Mr. KENNEDY. I understand.

Mr. President, I ask unanimous consent to place at this point in the RECORD a statement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR KENNEDY

Reciprocal trade agreements legislation is important to the Nation generally; it is doubly important to the State of Massachusetts. I, therefore, feel it is my duty to study most carefully and analytically any legislation pertaining to the subject. My vote, and I would hope, that of my colleagues in the Senate, will not be cast lightly or with inadequate study of the proposal pending before us.

Accordingly, I have thoroughly analyzed the amendment to H. R. 9474 offered by the junior Senator from Tennessee, which is nearly identical to H. R. 8860 introduced by Representative KEAN and commonly referred to as the President's trade bill.

It is my opinion that the Gore amendment would result in no great harm to our Massachusetts industries, and in fact it is less burdensome in many respects than the existing reciprocal trade agreement legislation, the Tariff Act of 1930, as amended.

The first point we must recognize is that neither the existing legislation nor the Gore amendment reduces any tariffs; both are authorizing acts, conferring upon the President the right to negotiate reciprocal-trade agreements with foreign countries with certain specified limitations on the tariff decreases, and increases, the President may negotiate. It is interesting to compare these limitations.

Under existing legislation the President is authorized to reduce by 50 percent, or cut in half, the tariff rates in effect on January 1, 1945. Thus the President has the right and authority today—assuming the 1-year extension of the existing legislation is adopted—to reduce tariffs on all items which have not been cut by 50 percent since 1945 to one-half the 1945 rate. My study reveals that this authority possessed, but as yet unused, by the President is substantial. For example, there has been no decrease in tariff rates since January 1, 1945, on many articles, including the following: Watches and watch movements of less than 17 jewels, clocks and clock movements over 4 jewels, electric meters, jewelry other than gold or platinum, ornamental edgings, burn out laces, of all materials; embroidered cotton hosiery, hat braid, cotton corduroy cloth, rosefish, cod, haddock, hake, and tuna, antipasto and smoked pollack, not in oil. In addition, there are many items in which only a slight reduction has been made in the tariff since 1945: Cotton cloth, between 4.8 and 9.1 percent reduction depending on classification; worsteds and woolens, between 30.3 and 31 percent reduction; wool blankets, 8.6 percent reduction; wool gloves, 4.7 percent reduction.

Under the Gore amendment, the authority to reduce by one-half 1945 tariffs would be rescinded except with respect to articles imported in negligible quantities, and imports from Japan. Instead the President would be empowered, over a 3-year period, to reduce by 15 percent the tariff rate existing on January 1, 1954. In addition, he could, over a 3-year period, reduce to 50 percent ad valorem any tariff rate presently exceeding that amount.

There are, of course, items which have been reduced the full 50 percent since 1945 which, under the Gore amendment, would be subject to a further reduction of 15 percent of the existing tariff. However, the peril-point provisions of the Reciprocal Trade Agreements Extension Act of 1951 provides at least some measure of assurance that the domestic industry will be given an opportunity to present its case before any reduction will be negotiated by the President. Moreover, the "escape clause" although it has admittedly resulted in little relief for domestic industry, may be applied with more desirable results in the future for really

injured industry. Furthermore, I have high hopes that the bill which I recently introduced (S. 3650) to provide assistance to those individuals, business enterprises and communities adversely affected by the national trade policy in their efforts to adjust to changed conditions will be a useful alternative to those presently available to the President under the peril point and escape clause provisions.

With respect to the 3-year extension authorized by the Gore amendment, as opposed to the 1-year extension under the Senate Finance Committee bill, it seems to me better from the viewpoint of Massachusetts that the changes proposed by the Senator from Tennessee, which as I have pointed out limit the President's authority to reduce tariffs in many cases, be adopted for a 3-year period. If the amendment is defeated, we have no idea of what the Senate Finance Committee will offer next year. Mr. President, as far as I am concerned, I prefer to accept the President's proposal offered by the Senator from Tennessee.

Although different articles will be in a better or worse position upon adoption of the Gore amendment with respect to the President's authority to reduce tariffs, it is my opinion that, as a whole, New England and Massachusetts industries will be in a better position under the Gore amendment than they are under existing legislation.

Mr. MILLIKIN. Mr. President, will the Senator from Texas yield?

Mr. DANIEL. I yield.

Mr. MILLIKIN. There is nothing in the amendment of the Senator from Tennessee which prohibits the making of a regular reciprocal trade agreement with Japan which would permit reducing tariffs up to 50 percent of the 1945 level. So there is no assurance that the reduction will not go the full 50 percent.

Mr. GORE. Mr. President, will the Senator from Texas yield?

Mr. DANIEL. I yield.

Mr. GORE. I beg, with great reluctance, to disagree with the able junior Senator from Colorado. In fact, all reductions provided either by the bill or by my amendment are permissive. There is nothing mandatory about either of them. The amendment which I have offered would provide safeguards to limit decreases to 5 percent a year for each of 3 years.

The answer I gave to the Senator from Massachusetts, I think, really cannot be questioned; or it can be questioned, but I do not believe successfully so.

Mr. MILLIKIN. Mr. President, will the Senator yield for a moment?

Mr. DANIEL. I yield to the Senator from Colorado.

Mr. MILLIKIN. I repeat: First, no reciprocal trade agreement need necessarily be made. If a reciprocal trade agreement is made, it can be made at another 50 percent reduction from this level. The amendment would also authorize the President to make a reduction on his own authority of duties above 50 percent.

The question is, Does the amendment give more protection than is given by existing law? I do not see any additional protection.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. DANIEL. I yield.

Mr. KENNEDY. Let us consider a commodity like rosefish, on which the tariff was, in 1945, 50 percent. The tariff

in 1954 was 50 percent. The minimum under the existing law could be 25 percent. Under the Gore amendment it could be, as I understand, 42.5 percent. Am I not correct?

Mr. MILLIKIN. If a reciprocal trade agreement is made, there is nothing to prevent a reduction of 50 percent. Neither is there anything to prohibit the President, without any action by Congress, from making a reduction of 15 percent.

Mr. KENNEDY. I understand that can be done only when the product is being imported in negligible quantities.

Mr. DANIEL. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Texas has 15 minutes remaining.

Mr. GORE. Mr. President, will the Senator from Texas yield 5 minutes to me?

Mr. DANIEL. I yield 5 minutes to the distinguished junior Senator from Tennessee.

Mr. GORE. Mr. President, this question was one which I attempted to discuss in debate yesterday. My amendment provides safeguards which the bill supported by the able and distinguished Senator from Colorado does not contain. Does the Senator from Colorado have before him a copy of my amendment?

Mr. MILLIKIN. I do.

Mr. GORE. If the Senator from Colorado and other Senators will turn to page 4 of my amendment, beginning at line 8 they will see the following:

(I) Decreasing to a rate 15 percent below the rate existing on January 1, 1954.

Then they will see the three standards guiding the reduction.

If the Senator from Colorado will turn to page 6, line 4, subsection (b), he will see the following:

No more than one-third of the maximum decrease permissible under alternative (I) of paragraph (2) (iv) of this subsection shall become initially effective at one time, nor until any previous part of such decrease shall have been in effect for not less than 1 year. No part of a decrease to which alternative (I) is applicable shall become initially effective after June 12, 1957.

So the Senator will see that the maximum permissible reduction is 5 percent a year, up to and including June 12, 1957, which adds up to a maximum of 15 percent.

Mr. MILLIKIN. If that procedure were adopted, it would be a slow process of cutting one's throat. But reciprocal trade agreements can also be made and at the same time reduce the existing rate.

Mr. GORE. Not under the amendment I have offered. These are the standards, and this is the maximum, under the situation I stated a few moments ago, on the commodities which are not now being imported, or are being imported only in negligible quantities.

I submitted the question to the able Senator yesterday in debate. I feel confident that I am making an accurate statement as to the provisions of the amendment.

I also placed in the RECORD on the day before yesterday a detailed analysis of

the amendment, which contained the statements I have just made to the able Senator.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GORE. I yield, if I have the time.

Mr. MILLIKIN. I suggest that the difference of understanding of the Senator's amendment emphasizes the necessity for more study.

Mr. GORE. It is not a difference of understanding. I fear the Senator has not given study to the amendment which I have offered. I have given study to it, and I have given study also to the bill which the Senator is sponsoring. No such protection is provided under his bill.

I say categorically, without any fear of successful contradiction, that every import duty on Japanese goods, under the authority of his bill, can be reduced 50 percent. If the Senator can show, under his bill, that that is not true, I should be glad to have him do so.

Mr. MILLIKIN. At that time we had no import duties with Japan, except under the general laws. Is not that correct? We do not have an agreement with Japan at the present time.

Mr. GORE. No; but the Senator's bill would authorize the President to enter into such reciprocal trade agreements, and each duty, under such an agreement with Japan, could be reduced by 50 percent; and under the amendment I have offered, also by 50 percent, except that such reductions must be spread over a period of 3 years.

Mr. MILLIKIN. It could be; but the President need not make an agreement.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. GORE. I yield.

Mr. KENNEDY. Is it not a fact that as to watches, watch parts, rosefish, cotton cloth, cotton corduroys, cotton gloves, handkerchiefs, and woolen mufflers, jute cordage, twine, worsteds and woolens, abrasives, hats, and fish products generally, the reduction in the tariff is greater under the existing law than it would be if the Senator's amendment were agreed to, because of this provision?

Mr. GORE. I understand that to be true.

The PRESIDING OFFICER. Does the Chair understand that the junior Senator from Texas withdrew the amendment he offered?

Mr. DANIEL. No. I now withdraw the amendment, Mr. President.

Mr. LONG. Mr. President, I call up my amendment—

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. JOHNSON of Texas. Does not the Senator from Louisiana desire time to speak in opposition to the amendment?

Mr. LONG. The amendment has been withdrawn; therefore, I cannot speak to that amendment.

Mr. JOHNSON of Texas. I had an agreement with the Senator in control of the time in opposition, and I was about to yield time to the Senator from Louisiana.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. On page 1, line 6, it is proposed to strike out "one" and substitute "two."

The PRESIDING OFFICER. How much time does the Senator from Louisiana yield himself?

Mr. LONG. I yield myself such time as may be necessary to make the statement I have prepared.

Mr. President, it is unfortunate that there will not be an opportunity during this session for the Congress to consider really effective legislation designed to promote foreign trade in a comprehensive way.

As reported by the Randall Commission and all other responsible groups which have examined this subject in recent years, tariffs constitute only a part of the problem. There are other aspects which are of equal importance.

Today, instead of a genuine attempt to deal with the problem of increasing foreign trade in a manner which would indicate to our allies abroad that we are seriously interested in bringing about realistic and constructive progress in international economic cooperation, we are only able to act upon one negative phase of a broad progressive program which the President told us he would put before the Congress this year.

Last year was spent organizing one of the many study groups for which this administration will rightly be famous in history. This year is apparently being spent in burying the report. Next year perhaps the Congress may be under Democratic leadership. In that event, the President will not need to be afraid to support his own foreign-trade proposals.

It is important that we all understand clearly the very limited choice which we have concerning our foreign trade. We can either adopt measures which will increase our imports or we can be prepared to face further declines in our exports unless we continue to subsidize them. Other countries cannot buy from us unless they can acquire the dollars with which to pay. I find the choice very easy. I do not favor the continuation of giveaway programs. I believe that great benefit would be derived by our own country from increased foreign trade and that our allies would be benefited as well. It is of great importance for us to demonstrate to the world that we are not again slipping back into economic isolationism.

I represent a State which has a very big stake in foreign trade. The port of New Orleans and the many other waterways of Louisiana give employment to many thousands and form the arteries through which the lifeblood of many of the State's industries flow. The products of Louisiana go to all corners of the world, and the people of the State understand the importance of national measures which will foster an ever-increasing expansion of our foreign trade. In recent years almost one-half of our total national production of rice, one of Louisiana's principal farm crops, has been exported.

As an illustration of the opinions which prevail among those who are most closely associated with foreign

trade in my section of the country, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks excerpts from the very excellent resolutions on foreign economic policy recently adopted at a conference in New Orleans. These resolutions were adopted by the Ninth Mississippi Valley World Trade Conference, which was held from April 28 to May 1, 1954.

There being no objection, the excerpts from the resolutions were ordered to be printed in the RECORD.

(See exhibit A.)

Mr. LONG. Therefore, Mr. President, I intend to vote for the amendment to extend the Reciprocal Trade Agreements Act for 3 years. I would be prepared to vote today on much more far-reaching measures if they were before the Senate, and I shall be prepared in future to support other proposals in line with the recommendations of the Randall Commission or its predecessor, the Bell committee.

We have had many studies, but, unfortunately, little constructive effort to translate these recommendations into an effective program for the benefit of our own economy and for the encouragement of genuine economic cooperation with our allies. Much of the success of our foreign policy depends upon such economic cooperation.

If one listened only to the anguished screams of a few domestic producers who desire to have the protection of high tariffs to insure their markets, regardless of their truly competitive situation, the impression could easily be gained that to lower the tariff on a single item creates immediately widespread unemployment and brings disaster to many American communities. Fortunately, it is now clearly demonstrated by such studies as the Randall Commission Report that this is entirely erroneous. It is necessary to place this matter in perspective.

The number of people whose jobs depend upon foreign trade represents about 7 percent of total employment in 1952. There were more than 4 million jobs which depended on either the production of goods for export or the handling and first processing of imports. Three out of four of these jobs, however, were dependent on exports and not upon imports.

Completely accurate figures cannot possibly be determined as regards the number of jobs which are presently protected by our tariff barriers. The Randall Commission staff made the estimate that the number was somewhere between 100,000 and 200,000, and this estimate included indirect as well as direct employment. The higher limit has been used in the debate so far. The fact that the number might be only 100,000 should not be ignored.

Thus we see that, even if all tariffs were eliminated, the result would scarcely be disastrous. Even taking the maximum figure of 200,000, it is easy to see that the proposed amendment of the bill which we are now discussing would result in a maximum loss of only 30,000 jobs, or 15 percent of the 200,000.

This estimate does not make any allowance whatever for increases in employment in export industries due to greater export opportunities abroad as a result of increased United States purchases. Nor does it make any allowance for the increases in employment in the handling, processing, and distribution industries as a result of increased imports. Although I do not consider myself an expert on this subject, it stands to reason that the increased exports and imports would create more jobs than would be lost in the domestic industries affected. This shows the necessity of looking at the problem in national terms.

Translated into monetary terms, the results of tariff reductions are very small indeed. One of our own economic experts in the Legislative Reference Service has given special attention to this problem for several years. He has recently estimated that a permanent reduction of all our existing tariffs to 50 percent of present levels would, even after a few years' time, result in a total increase of imports of only about \$1 billion. This would be less than one-third of 1 percent of our total annual production of goods and services. This is scarcely an alarming prospect.

Just as there has developed widespread misunderstanding of the true economic effect of increased imports, there is also a widespread belief that, just because wage rates are lower abroad than they are in the United States, foreign producers automatically have a competitive advantage over our own producers. Examination of the argument shows that the belief is exaggerated.

What really matters in the cost of producing a particular article is the total labor cost. American industry has been able to pay increasingly higher wages to our workers because of increased productivity, which results from greater efficiency and more capital equipment. In some cases the labor costs have been reduced. The same principle applies anywhere in the world. If much more labor is used to produce an item in a foreign country, the product may cost more, even though the labor is cheap.

Just as our industry has expanded and diversified its products almost without limit under competitive conditions at home, there is no reason why it needs to fear foreign competition.

IMPORTANCE TO OUR FARMERS AND TO PEOPLE ABROAD

During the last 2 years we have seen a decline in our farm exports of 50 percent. In 1951 we exported 42 percent of our cotton. Last year we exported only 20 percent. In 1952 we exported 48 percent of our wheat. Last year we exported only 24½ percent. We heard yesterday about these and other losses in our export markets for farm products in the excellent speech by the Senator from Tennessee.

We now see the Secretary of Agriculture engaged in enforcing drastic acreage cuts and drafting restrictions designed to prevent the planting of other basic crops in the land thus made idle. Already this has been done for wheat and

peanuts. Next it may be rice and other products.

All this would not have happened if a bold imaginative foreign trade policy had been adopted last year. It highlights the Administration's failure.

It is very clear that, insofar as the farmer is concerned, we have three choices. We can expand our trade, give away the surpluses, or produce less. Expansion of our trade is the only sensible answer. It would advance the prosperity of American farmers and would nourish hungry people throughout the world. Just imagine, Mr. President, more than two-thirds of the people on this earth go hungry to bed every night. There is scarcely one who does not desire an opportunity honestly to earn a full breadbasket for himself and his dependents.

We could do so much to meet this situation and help ourselves by doing it. Our foreign-trade policy could be our greatest single weapon in the fight against poverty, hunger, and tyranny throughout the world. Yet it is the most neglected part of the Government's program. This potent weapon is sheathed and rusting away in the scabbard. Why must we neglect so many out of an oversolicitous concern for the fears of the few?

Mr. President, I should now like to address myself to another aspect of the problem.

Increasing the standard of living of the masses throughout the free world is a vital part of our total attack on communism. Trade is one of the most effective weapons by means of which to accomplish this objective.

Unfortunately some countries have capitalistic systems which are very far behind the progress which has been made by our own American enterprise system. Sometimes, therefore, the benefits of increased trade are not extended to the workers who produce the goods.

Our foreign-trade policy offers an opportunity to encourage capitalism to serve its true mission, not only here but everywhere in the free world. We would do well to advocate as part of our trade policy the idea of reducing tariffs in such a way that they will be effective to raise the standard of the people in friendly countries. The opportunities might be limited, but they should not be overlooked.

There is, in fact, a strong case for making available to the masses in other countries, especially in the undeveloped areas, the benefits of American products. American industry has specialized in the mass production of consumer goods which seem to make life more comfortable for all our people. These products should not be denied to the people of other countries by our refusal to permit them to sell us their products. The helpful household appliances of America could be one of the best salesmen for our way of life.

Mr. President, I hope that my Democratic colleagues will not retreat or compromise on this issue now that the Republicans are coming to see the light. There is all the more reason why we should go on record in favor of reducing tariffs and expanding trade now that re-

actionary groups are advocating it after more than 50 years of opposition to a progressive foreign-trade program.

I can understand the uncomfortable position of the administration, although it is to be regretted. A year ago, when the administration, at the very pinnacle of its power, undertook to extend the excess-profits tax, the President ran into a battle with Representative DAN REED, the powerful chairman of the House Ways and Means Committee. Although General Eisenhower was finally victorious, the fight left him with no inclination for a renewal of hostilities.

On Tuesday night last, I had the pleasure of attending a dinner given by American newspaper editors. The President was the principal speaker. He discussed foreign trade and mutual aid. Stated briefly his views were: Either we must undertake to assist in achieving a substantial increase in Japan's foreign trade or we must substitute a foreign-aid program of even greater magnitude, or adopt some combination of these two.

Failure to do so, the President said, would undoubtedly mean that Japan would be lost to the free world and driven into the Communist sphere of influence with disastrous results to the United States and our allies.

Everyone knows the views of leading Republicans outside of the Congress. With their flair for slogans, they have adopted the words "trade, not aid." These words were first used by the British Chancellor of the Exchequer, but they have now advertised them from one end of this country to the other. The chambers of commerce and the manufacturers associations have bombarded the Congress with mail, indicating their conversion to the concept of trade not aid.

Mr. President, if the chambers of commerce of New York and Detroit have developed the good judgment to demand trade with their friends and allies, if they have become sufficiently aware of this problem that they refuse to heed the advice of minority selfish interests, should not those among us who represent those areas in the Congress vote accordingly? We see on every side the examples of more enlightened knowledge on this subject. We should profit by these examples.

Even though some individual local chapters of labor unions continue to exert all the pressure which they command against increasing foreign trade, their views are not accepted by the national and international organizations with which they are affiliated.

In the same manner, many chambers of commerce have among their members some who still oppose increasing foreign trade and demand continued protection of their particular competitive position. Nevertheless, the voice of these chambers is now heard strongly in support of the larger view.

There is upon the Congress as well the duty to frame policies which are based upon truly national considerations rather than upon the interest of minority elements who are themselves disavowed by the leaders of their own groups. If the Congress cannot lead, let us at least not be too far behind the

people of America in adopting those far-sighted provisions that public opinion already demands. A 3-year extension of reciprocal trade is certainly no dynamic trade program. At least it is a modest move in the right direction. Those who favor foreign trade should be ashamed to do less.

EXHIBIT A

EXCERPTS FROM RESOLUTIONS UNANIMOUSLY ADOPTED DURING NINTH MISSISSIPPI VALLEY WORLD TRADE CONFERENCE HAVING TO DO WITH OUR FUTURE FOREIGN ECONOMIC POLICY AND OUR INTERNATIONAL TRADING PROBLEMS

Whereas the theme and the hope of the 9th Mississippi Valley World Trade Conference in convention at the city of New Orleans, April 28 to May 1, 1954, is "Designing Our International Trade Pattern" to meet the requirements of our current international needs and aims, as is more particularly set out in the speech of the Honorable Dwight D. Eisenhower, President of the United States, to the Congress on March 30, 1954, and in the majority report of the Commission on Foreign Economic Policy, dated Washington, D. C., January 23, 1954, all of which has been paraphrased by the President as follows: "Conceived as a whole, this program consists of four parts: Aid, which we wish to curtail; investment, which we wish to encourage; convertibility, which we wish to facilitate; and trade, which we wish to expand"; and

Whereas it is to the best interest of the United States and all friendly nations to abandon the concept of a tariff purely for revenue, and to impose only those tariffs which are deemed essential in the national interests and excluding from the list of dutiable imported commodities all of those which are not produced at all in the United States, or which are commercially produced here only in small or insignificant quantities, particularly those essential to the national defense, economy, and industry; and

Whereas currency convertibility is absolutely essential to free and healthy international trade so that the United States should cooperate in every way in the improving of the gold and dollar reserves of those countries which have prepared themselves for convertibility by sound internal and external policies, such as those steps already undertaken by the British and other members of the commonwealth of nations, which action by the United States can be taken under presently existing authority and procedures; and

Whereas the Trade Agreements Extension bill (H. R. 8860) has now been introduced in the Congress and is now in the House Ways and Means Committee, and a customs simplification bill will shortly be presented to the Congress, and H. R. 6584 is now before the Senate Finance Committee with the archaic features basing value for duty purposes as follows:

"(b) Export value: The export value of imported merchandise shall be the market value of the price, at the time of exportation to the United States of merchandise undergoing appraisal, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States."

Now, therefore, be it—

Resolved by the delegates to the 9th Mississippi Valley World Trade Conference in convention at the city of New Orleans April 28 to May 1, 1954—

(1) That the findings and recommendations of the Honorable Dwight D. Eisenhower, President of the United States, and the majority report of the "Commission on Foreign Economic Policy" dated January 23, 1954, be and they are adopted and approved, as being necessary to "Designing Our International Trade Pattern."

(2) That the Tariff Act of 1930, as amended, should be further amended both in letter and spirit so that its purposes in the heading shall read as follows: "To regulate, encourage, and increase commerce with foreign countries, to reasonably protect domestic producers when deemed essential, and for other purposes."

(3) That the entire concept of tariff purely for revenue be entirely abandoned so that only those tariffs and procedures shall be retained which are deemed essential in the national interest, and excluding from the list of dutiable imported commodities all of those which are not produced at all in the United States, or which are commercially produced here only in small or insignificant quantities, particularly those essential to the national defense, economy, and industry.

(4) That existing statutes, pending legislation, and regulations, pertaining to customs and duty charges; collections and liquidations; foreign aid; quotas; customs simplification; customs administration; "peril point" and "escape" procedures, and "buy American," be completely re-examined and appraised, in keeping with the desires and recommendations of the President and the Randall committee and the new purpose, letter, and spirit of the Tariff Act as herein recommended, to the end that immediate administrative changes can be ordered within the framework of the existing Tariff Act and immediate appropriate legislation can be introduced in the Congress to accomplish the desired and necessary changes which cannot be the subject of the administrative action by the Treasury and customs officials.

(5) That immediate action be taken under existing authority and procedures, by appropriate Departments of the Government to accomplish "currency convertibility" in cooperation with those countries which are prepared for convertibility by sound internal and external policies, and every effort be made to work with unprepared countries so that they may also enjoy the benefits of convertibility.

(6) That H. R. 6548 as presently written, be further amended to read as follows:

"Export value: The export value of imported merchandise shall be the market value or the price paid, whichever is higher, as of the date of the agreement of sale, f. o. b. point of manufacture, less any foreign taxes paid, for which the merchandise undergoing appraisal, was sold, or offered for sale, in like quantities, and in the ordinary course of trade, in the country of manufacture, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States."

(7) That immediate administrative and legislative action be initiated to accomplish:

(a) simplification of commodity definitions, classifications, and rate structures, eliminating fine distinctions; (b) improve the methods of valuation of imports, and expediting final liquidations, with special emphasis on stimulating imports rather than providing the United States with additional revenue; (c) establishment of more efficient procedures for customs administration generally, including placing of authority for customs classification and the assessment of duties in the hands of the various collectors of customs and the appraisers assigned to them.

(8) That the President and/or the Congress immediately direct the Tariff Commission and the Treasury Department to begin preparation of reports and lists covering those commodities and items which are not covered specifically by the present act, so that arbitrary classification, under the similitude rule and the so-called basket paragraph can be avoided entirely, and/or provision can be made for assessing duty at the lowest rate, rather than the highest in those cases where classifications involving different rates of duty seem equally appropriate; also, district or area collectors of customs and/or appraisers should be authorized to assess and agree on duty rates in advance of shipments, when importers formally apply for such assessments on the basis of samples or detailed specifications covering importable merchandise involved, and they should be authorized to execute immediate final liquidations on the basis of their own findings covering merchandise imported without prior assessment or agreements, without the necessity for protracted negotiations, inspections, and decisions from the Treasury Department, Bureau of Customs, and/or Customs Information Exchange which, today, sometimes extend over 4- and 5-year periods, to the great detriment and financial loss of the importer; also, immediate administrative directives should be issued permitting the abandonment of the many rules and regulations, not specifically required by the existing act or other acts of Congress, to the end that the "red tape" now existing will be abandoned in favor of the new purposes herein suggested, namely, increased imports and not increased revenues to the United States from duty charges.

(9) That the buy-American legislation should be so amended, in line with the President's suggestions, as to permit of equal treatment to those friendly nations which themselves treat our bidders and businessmen on an equal basis with their own nationals, and such amendments should be strictly enforced against those governmental agencies of the United States which, in particular, have used the buy-American philosophy as an excuse to favor their friendly United States producers in many lines, as against foreign and United States businessmen and importers offering similar merchandise, but of foreign manufacture, at lower prices, with the result that the United States Government has been paying premiums on its purchases and/or subsidizing the various United States suppliers of the materials in question.

(10) That, finally, the Tariff Commission, the Department of the Treasury, and the Bureau of Customs should be immediately directed by the President to study the delays presently existing in classifying merchandise, collecting appropriate duties, and executing final liquidations so that limited periods of time may be ordered within which classifications and final liquidations must be accomplished in all cases; the President should be additionally requested to immediately place before the Congress specific suggestions for the creation of prescriptive periods and/or statutes of limitations to limit the periods within which all governmental agencies administering all portions of the Tariff Act shall complete all action, including: (1) requests for classifications and duty charges in advance of shipments to the United States, (2) classification and assessment of duty upon arrival of dutiable merchandise in United States ports; (3) classification of merchandise as being on the free list; (4) requests for additional details, specifications, chemical analysis, physical properties, affidavits covering actual sale prices and costs abroad, other supporting written or oral information, manufacturers' certificates of quality, and foreign classification, supplemental consular invoices and

proof, and the Treasury Department and other appropriate agencies of the Government should be ordered to limit all of said periods wherever such restrictions are permissible within the framework of the existing Tariff Act and/or contemplated amendments, or other legislation on the subject.

(11) That in times of national emergency the President of the United States shall have the right to temporarily abolish duties on critical materials not available in sufficient quantities to fulfill domestic requirement.

During the course of Mr. LONG's speech,

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Minnesota.

Mr. HUMPHREY. I was listening to the Senator's comments about how the foreign-trade program has been neglected, and how important such a program is as a fundamental part of our foreign policy, and I surely concur with the views expressed by the Senator from Louisiana. I think the Senator would be interested in knowing that, according to the press reports, particularly from the New York Times, there has been some very peculiar kind of politics played with this trade program in the other Chamber of the Congress. In the address which I had prepared for delivery today, and which a little while ago I asked to have printed in the RECORD, I made note of the fact that the real consideration which seems to be uppermost is the fear that we will split the opposition party, that is, the Republican Party, if we go too far with the trade program. For example, the New York Times, in one of its featured articles, pointed out that certain Republican leaders in the House thought if this 1-year extension trade program went through there would be no agreement with Japan. Yet the Senator may be interested in the testimony which was given before the Senate Foreign Relations Committee on June 4 last. The Senator from Indiana [Mr. CAPEHART], a member of the committee, was quizzing the Secretary of State. The Senator from Indiana made it quite clear in the testimony that he changed his views on trade policies. If the Senator will permit me, I should like to read from the colloquy between the Senator from Indiana and Secretary of State Dulles.

Mr. LONG. Mr. President, how much more time do I have?

The PRESIDING OFFICER. The Senator from Louisiana has 19 minutes remaining.

Mr. HUMPHREY. I should like merely to read the testimony, because I am sure it applies directly to what the Senator from Louisiana has stated. I read now from the official transcript of the hearings before the Senate Foreign Relations Committee:

Senator CAPEHART. Well, I can ask this question because of my reputation of being always looking after the interests of the United States, so I will ask this question.

For example, how is Japan going to maintain an economy if she cannot trade throughout the entire Far East? Aren't we going to have to face that issue in some way?

Secretary DULLES. Well, I hope we will not have to face it, but of course, if there should be barriers to Japanese trade with south-

east Asia, that would add seriously to what is already—

Senator CAPEHART. Yes.

Secretary DULLES (continuing). An unhappy economic situation for Japan.

Senator CAPEHART. If Japan is going to remain strong and healthy she will have to trade?

Secretary DULLES. That is correct.

Senator CAPEHART. She will either have to have it with the United States, among her own people if there is sufficient of it, or they will have to do it with Latin-America or some other section of the world?

Secretary DULLES. Correct.

Then the argument continued.

Finally Mr. Dulles said:

If the Reciprocal Trade Agreements Act is extended for a year, so that we can then negotiate with Japan in GATT—

That is the General Agreement on Trade and Tariffs—

that would open the way to a very considerable easing of the Japanese trade problem.

You see, by and large, there have been negotiations with other countries which have considerably reduced, on a multilateral world basis, the duties on the commodities which are distinctive to those particular countries.

Finally the Secretary of State pointed out the importance of having an immediate agreement with Japan. He pointed out that the British have been trying to stall us, but that we must do something about it, and must do it now.

Yet in the House of Representatives, in order to obtain a 1-year extension, there is apparently a sub rosa understanding that there will be no agreement with Japan. I say that does not represent a very healthy situation, particularly in view of what the President had to say on Tuesday evening at the meeting of the National Association of American Newspaper Editors, when the President pointed out that Japan must live, that we need her as an ally, and that we must trade with her.

Yet, Mr. President, in order to appease the protectionists—those who do not believe in a free flow of commerce between the nations—again little compromises and agreements have been arrived at, and they literally will put this program in shackles.

As the Senator from Tennessee has pointed out again and again, during the past year not one new trade agreement was entered into by the United States, whereas other nations of the world were entering into one trade agreement after another.

Mr. LONG. Mr. President, I certainly commend the Senator from Minnesota for his statement, and also for the speeches he has made during the past year in advocating an expanded foreign-trade program, which the President has recommended, but which has not been supported by the members of his party in the Congress.

Mr. President, I ask unanimous consent that the remarks of the Senator from Minnesota be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, will the Senator from Louisiana yield to me the remainder of his time?

Mr. LONG. I yield to the Senator from Oklahoma the remainder of the time available to me.

Mr. MONRONEY. Mr. President, let me inquire how much time remains.

The PRESIDING OFFICER. Twelve minutes.

Mr. MONRONEY. Mr. President, I rise to speak in behalf of the Gore amendment to the Reciprocal Trade Act extension. In speaking for the Gore amendment, of which I am proud to be a cosponsor—I am really speaking in behalf of the Eisenhower trade program.

This is the program, which, as one of the great promises of the last campaign, was sent to us in the Congress with warm words describing the grave need for its prompt passage at an early date in the form in which it was recommended.

The Eisenhower trade program is not a "quickie," nor a novel idea. It is, perhaps, the best-studied program to be before the Congress in recent years. It is a subject familiar to every Member of the Senate and to the membership of the House.

Despite the often-repeated promises for a liberalized trade program during the fall campaign for the Presidency by the now President, 1 precious year was lost in further studies of this vital program. It is true that the Congress passed an extension of 1 year of the old reciprocal trade treaties program, but from a practical standpoint there was little hope that this temporary extender, with its lack of bargaining power, would add to our program of encouraging a freer movement of goods throughout the free world.

The reciprocal-trade program has been an honored program, and one which has been truly tested by time. It is not a new program.

In fact, it has been on the statute books since 1934. It is the handiwork of a truly great American, Hon. Cordell Hull, the then Secretary of State and a former distinguished Member of both Houses of the legislative branch.

Under its provisions we have seen the recovery of business, both in industry and on the farms. We have seen the strengthening of the American industrial plant and the sinews of war that our great land has been able to produce. Surely if all the claims of the opponents of the realistic Eisenhower program were true, the death knell would have long since been sounded over our industrial areas and our economic life would have been destroyed. The contrary has been true, and there is ample and abundant evidence to prove this assertion.

All Presidents since 1934, both Democratic and Republican, have advocated this wise program as being in the interest of American economy and stabilization of the world's trade relations. Organizations, representatives of farm groups, labor groups, business, and manufacturing groups have been the bulwark of support behind its extension and are today behind a realistic and meaningful enactment of the original Eisenhower trade program which we, sup-

porting the Gore amendment, advocate here today.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks quotations from President Eisenhower—then Candidate Eisenhower—during the campaign.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

President Eisenhower, in his campaign as reported from Philadelphia, September 4, 1952, said: "All this must be supported by profitable trade relations."

On October 15, speaking as reported in Knoxville, Tenn., President Eisenhower said: "Sound trade relations with the world are far more than an essential part of our economic system: They are a means of developing peaceful programs."

On October 21, 1952, speaking before the New York Herald Tribune Forum, Candidate Eisenhower said:

"I think that, in concert with our closest allies, a long-term consistent program should be produced, directing all of our economic power toward reviving free-world economies and trade as a whole, instead of restricting our concern to emergency relief and isolated, piecemeal actions * * *. While maintaining tariff policies that operate in the interest of our agriculture and industry, we should seek out opportunities to increase exports of commodities, goods, and services which will improve our own economy and help make our allies self-supporting."

Again in Philadelphia, on September 4, 1952, Candidate Eisenhower said: "No one knows better than our enemies that our foreign trade is not just the frosting on our economic cake, but one of its essential ingredients."

At the Al Smith Dinner, in New York City, on October 16, 1952, he again said: "Have we the vision to triumph over the temptations of economic nationalism and to welcome full, equitable trade with our allies."

This was not just campaign talk. One of the cornerstones in the Eisenhower victory was the assurance repeatedly given that he would aggressively support a liberalized-trade program.

That there was no difference in the opinions of Candidate Eisenhower and President Eisenhower has been repeatedly shown by his pronouncements as President of the United States.

In his state of the Union message, January 7, 1954: President Eisenhower told the Congress:

"The fact that we can now reduce our foreign economic assistance in many areas is gratifying evidence that its objectives are being achieved. By continuing to surpass her prewar levels of economic activity, Western Europe gains self-reliance. Thus, our relationship enters a new phase which can bring results beneficial to our taxpayers and our allies alike, if still another step is taken."

"This step is the creation of a healthier and freer system of trade and payments within the free world—a system in which our allies can earn their own way and our own economy can continue to flourish. The free world can no longer afford the kinds of arbitrary restraints on trade that have continued ever since the war. On this problem I shall submit to the Congress detailed recommendations after our Joint Commission on Foreign Economic Policy has made its report."

Mr. MONRONEY. President Eisenhower kept his word on this trade policy. On March 30, 1954, in a message to the Congress, the President sent his recom-

mentations concerning the foreign-economic policy of the United States.

Mr. President, I ask unanimous consent to have printed in the *RECORD* at this point as a part of my remarks excerpts from the President's message of March 30, 1954.

There being no objection, the excerpts were ordered to be printed in the *RECORD*, as follows:

Due to the urgency and significance of our problems in this area, I previously recommended, and the Congress approved, the establishment of the Commission on Foreign Economic Policy. Its membership, consisting of 17 elected officials and private citizens, was drawn from all parts of the country and represented diverse points of view. The Commission's report, prepared in the American tradition of full debate and vigorous dissent, has been carefully reviewed by the various executive departments of the Government and forms the basis for the program I submit in this message.

Before the Commission began its deliberations, I said to its members, "I commend to you an attitude both realistic and bold. Above all, I urge you to follow one guiding principle: What is best in the national interest."

The national interest in the field of foreign economic policy is clear. It is to obtain, in a manner that is consistent with our national security and profitable and equitable for all, the highest possible level of trade and the most efficient use of capital and resources. That this would also strengthen our military allies adds urgency. Their strength is of critical importance to the security of our country.

Many foreign restrictions have been imposed as a consequence of the so-called dollar gap. This phrase has become the symbol of the failure of the free world to find a lasting solution to the imbalance of international payments. We should no longer fill it by major grants to enable other nations to secure what they need but cannot buy. Our aim must not be to fill the dollar gap, but rather to help close it. Our best interest dictates that the dollar gap be closed by raising the level of trade and investment.

The United States stands ready and able to produce and sell more than the rest of the world can buy from us. The inability of many foreign countries to buy our goods in the volume we would like to sell does not arise from any lack of desire for these goods. Such is far from the case. Instead it arises out of an inability of these nations to pay—in dollars—for the volume we have to sell.

Dollar grants are no lasting solution to this impasse.

The solution is a higher level of two-way trade. Thus we can sell and receive payment for our exports and have an increasing volume of investment abroad to assist economic development overseas and yield returns to us. Greater freedom from restrictions and controls and the increased efficiencies which arise from expanding markets and the freer play of economic forces are essential to the attainment of this higher trade level.

Failure so to move will directly threaten our domestic economy, for it will doom our efforts to find ways by which others, through their own efforts, can buy our goods. The only practicable alternative is to reduce exports. Our farms would have to sell less, since the products of 40 million acres, amounting to 10 to 12 percent of our agriculture, would have to find their market outside our own country. Moreover, if their export markets were curtailed, American factories now selling their products throughout the world would have to reduce employment. It is a very important fact

that over 4 million American workers depend on international trade for their employment.

Beyond our economic interest, the solidarity of the free world and the capacity of the free world to deal with those who would destroy it are threatened by continued unbalanced trade relationships—the inability of nations to sell as much as they desire to buy. By moving boldly to correct the present imbalance, we shall support and increase the level of our exports of both manufactured and agricultural products. We shall, at the same time, increase the economic strength of our allies. Thus shall we enhance our own military security by strengthening our friends abroad. Thus shall we assure those sources of imports that supplement our domestic production and are vital to our defense. Thus shall we raise our standard of living and aid in the development of a better world for all of us and our children.

TARIFFS

These recommendations for renewal and amendment of the Trade Agreements Act are based on the plain truth that if we wish to sell abroad we must buy abroad.

CONCLUSION

What I have outlined to you is a minimum program which should be judged as a whole. Its various parts are interrelated; each requires the other.

Conceived as a whole, this program consists of four major parts:

Aid—which we wish to curtail;
Investment—which we wish to encourage;
Convertibility—which we wish to facilitate; and
Trade—which we wish to expand.

I consider it essential that we achieve each of these objectives, which we must clearly understand are closely interlocked: As we curtail our aid, we must help to close the dollar gap by expanding our foreign investment and trade. This expansion will be facilitated by a return to convertibility of foreign currencies. The return by our friends abroad to convertibility will be encouraged if our trade policy leads them to expect expansion of our foreign trade and investment.

Unless we are prepared to adopt the policies I have recommended to expand export and import trade and increase the flow of our capital into foreign investment, our friends abroad may be discouraged in their effort to reestablish a free market for their currencies. If we fail in our trade policy, we may fail in all. Our domestic employment, our standard of living, our security, and the solidarity of the free world—all are involved.

For our own economic growth we must have continuously expanding world markets; for our security we require that our allies become economically strong. Expanding trade is the only adequate solution for these two pressing problems confronting our country.

DWIGHT D. EISENHOWER,

THE WHITE HOUSE, March 30, 1954.

Mr. MONRONEY. Mr. President, I reemphasize two phases from this message of "urgency" sent to us on March 30 of this year by the Republican President of the United States:

What I have outlined to you is the minimum program which should be judged as a whole.

I quote another excerpt, which has been repeated often in this debate, but scarcely from the Republican side of the Chamber:

If we fail in our trade policy, we may fail in all.

Yet after 1 year's careful study by a Commission on Foreign Economic Policy, recommended by the President and approved by the Congress, we find that we are now to spend another year of procrastination on this so-called urgent program of the President.

Are we to tell the country and the world that we must spend another year studying a program which had been proving its value since 1934, a program which has been previously extended and liberalized many times by the Congress, and postpone executing the promised program of the Eisenhower campaign for 3 full years?

Many people complain that "the President proposes and the old guard disposes." Life magazine, the strongest supporter of the President in his recent campaign this week, has an article carefully documenting the failure of his own party to support his program. Many of the Nation's leading newspapers, also strong supporters of Candidate Eisenhower, have written in similar vein of the absence of support of the President's program by the members of his own party.

By the action of the Republican leadership and Republican Members of the Senate today, instead of giving the President support in voting for the Eisenhower program, they will be giving him a crust instead of a loaf of bread. They will be telling the Nation that their party, after spending a year studying this vital and pressing problem—a problem they told the country they had the answer for during the last campaign—that we now must spend another year studying the studies.

The problems of our battle for survival in a world which is daily seeing Communist gains cannot wait on a "slow-motion Congress." We must not fiddle while the flames of Communist aggression lap closer to our vital boundaries in the three dangerous fields of combat between our ideals of freedom and liberty and the Communist ideas of slavery and degradation of the human mind.

I fear we are making only half-hearted efforts along these three vital lines:

First. Reduction of our Army's strength at a time of crisis by \$5.3 billions, following the recommendation of the Military Appropriations Subcommittee, thus crippling us in the defense field.

Second. An ineffective and curtailed program of information and education to win the hearts and minds of men to freedom.

Third. A world trade program in "name only" of such short duration and insignificant remaining bargaining of power as to stamp it with the label of "too little and too late."

It is this third subject that we are discussing in the Senate today. I doubt if there has been an issue before us with respect to which so much could be done with so little to help roll back the Iron Curtain and to give so much hope for the embattled and threatened democracies in the field of trade.

I am certain we face the dangers of economic aggression, the same as we face

dangers of communism on the military front and on the psychological front. I think perhaps it may be more real and more imminent than the other two offensives. Surely we have seen indisputable signs of this economic offensive, as Russia now starts to realine the world trade routes. They know, as has been said by the Senator from Tennessee [Mr. GORE], that friendships follow the trade routes, and that in the absence of a realistic and liberal trade policy orienting these nations to us, the hope of trade behind the Iron Curtain will be held out to them as a last resort.

We know that in their desperation to acquire raw materials, foods, and other supplies, they will be forced to sell their goods to others if they cannot sell them to us. We need not fool ourselves with wishful thinking that their trade agents will be only the stupid and the dumb. Their agents of trade will be calling on businessmen in the free capitals of the world, and with them will go the deadly, dangerous infiltration of Communist influence.

Whatever success they will have we do not know. I do know that idle plants and idle workers will go to extreme limits to find markets so that they can operate their businesses. I do know that once the Red trade is a part of the business system of a free country, the threat of economic influence will be upon it. By threats to shut off established markets for goods, the Iron Curtain countries will have placed a dangerous tie upon such nations.

Yet it is with this country that most of these nations wish to trade. It is the American dollar that has the greatest value in world trade. It is our great market that they wish to enter, and in a competitive way earn the dollars which they will later spend with us—or with some other country—in triangular trade.

Because of the great desirability of the dollar by all the free nations, our market is the premium market of the world, for it means that they then can expand their sales to us in multilateral purchases from other nations and thus help to free trade from the straight-jacket it has been in since World War II.

I quote from chapter I of the staff reports of the Randall Commission:

Although the United States has only 5 percent of the world's population, we produce well over 40 percent of the world's total output of goods and services. In terms of certain major products, namely steel, automobiles, and crude petroleum, we produce well over 50 percent of the world's supply of these particular products.

The United States also generates perhaps as much as two-thirds or more of the world's flow of savings. * * *

Another indication of the tremendous weight that we exert in the world economy is provided by the fact that we are now both the world's largest exporter and importer. In 1952 our exports amounted to over 20 percent of the total world exports and our imports to about 15 percent of total world imports. (With regard to world imports of raw materials alone, our share in the total is much larger.) We are the largest single supplier to, and the largest single market for, a very large number of individual foreign countries. Some countries, in fact, including Canada, the Philippines and many Latin

American nations, sell us more than 50 percent of their total exports and buy more than 50 percent of their total imports from us.

Unless we take positive steps to maintain and increase the flow of trade between the United States and its friends, we will be bemused bystanders at the erosion of free world strength.

It is appropriate to refocus on the fundamental reasons for liberalizing our foreign economic policy. We seek to expand our foreign markets in order to build the economic strength of the United States; we seek to discharge our responsibilities as the economic main-spring of the grand alliance. It is a happy fact that what is good in this instance for our allies is good for the United States.

We need look no further than the nearest farm for our evidence. American farm prosperity is dependent upon exports: In 1952, 42.6 percent of United States wheat, 29.8 percent of United States cotton, 30 percent of United States grain sorghums, 24.3 percent of United States lard were exported. Where percentages are small, dollar figures are large. Less than 4 percent of America's corn crop was sold abroad in 1952 and 1953. Yet in each of these years, exports of corn exceeded \$200 million.

From 1945 to 1952, our agricultural exports have been equal to about one-eighth of our total cash farm income, and we enjoyed unprecedented farm prosperity. In contrast, during the depression years of the 1930's our farm exports declined to the lowest point in the last half century, both in volume and value.

Vast quantities of farm products have been sold to Western Europe to help our war-weakened allies. In 1951, for example, 1 out of every 5 bales of cotton grown in the United States was sold in Western Europe. In 1951, our farmers produced 140 million tons of grain, about 20 million of which were exported. Ten million tons went to Western Europe. These are staggering figures at a time when American warehouses are bulging with surplus products.

Western Europe has been able to buy these products because the United States embarked on an unprecedented economic and military aid program during the postwar years. In supplying dollars, we forestalled economic and social chaos. But the era of dollar grants is ending, and we, as well as Europe, are faced with grave problems of adjustment.

If Europe is to continue to buy from us, it must have dollars, and increased sales to the United States are Europe's primary source for earning them. If Europe cannot earn dollars, it must turn to other markets for its needs. A turn to the east could only result in a loosening of the bonds which unite the free nations.

Our ability to sell abroad depends on our renewed willingness to buy. If we do not lower our trade barriers, we must expect serious contractions of the vast foreign markets for the vigorous production of our farms and factories. We must anticipate a downturn in the eco-

nomie and political strength of the free world.

Not only is the situation critical for agriculture, if we lose our export markets, or if we intentionally diminish them by refusing to lower trade barriers, but also in the industrial field. While it is true that the average of our industrial production ranges in the neighborhood of 10 percent in exports, it is this top 10 percent that is the difference between a profit and a loss in most industries.

Cut back to the 90 percent of our domestic market and we will see vast unemployment, vacant factories, and an unprofitable or bankrupt industrial complex. In many specific lines the percentage of exports runs much higher, such as tractors, 22.6 percent; rolling mill machinery and parts, 34.9 percent; sewing machines and parts, 22.3 percent; textile machinery, 21.6 percent; printing machinery and equipment, 17.5 percent; oilfield machinery, tools, and parts, 17.3 percent; office appliances 16.3 percent; motor trucks and coaches, 15.6 percent; agricultural machinery, excepting tractors, 11.7 percent.

We have struggled since 1934 to bring about the freeing of world trade from its narrow limits of restrictions. A world war, inflation, and other dislocations have made the success of this plan difficult. But we are seeing, slowly, surely, the winning of the victory on the trade front if we can move ahead. After more than 32 billions in foreign aid, since World War II, we can see the results in a nearly balanced foreign trade picture. But this must come to an end and the world must rely on trade, not aid.

No nation wants to be the recipient of alms or gifts. They have the right, as free nations, to a chance to earn their dollars to trade with us, instead of hand-outs—no matter how necessary this emergency aid was at the time it was given.

If we expect the investment of these 32 billions to bear long-range gains to our economy and peace, as well as to our allies, we must open another door as we close and lock the door of foreign aid. Otherwise, we will have helped them to recover and then denied them the chance to earn their way.

Mr. President, it seems to me that we are on the threshold of a door to opportunity that will mean prosperity, employment, strength, and vitality to the free world. We, as the leaders of the free world can either open the door as this Gore amendment does today—or we can lock it and throw the key away.

No move, in my opinion, will do so much to strengthen the free world as to pass the original Eisenhower trade program as provided for in the Gore amendments. And in strengthening our allies, we also strengthen ourselves.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. LONG. Mr. President, I withdraw my amendment to the bill.

The PRESIDING OFFICER. The Senator from Louisiana withdraws his amendment.

Mr. GORE. Mr. President, I rise to conclude my argument.

The PRESIDING OFFICER. The Senator from Tennessee has 6 minutes remaining. How much time does he allot to himself?

Mr. GORE. I allot myself the full 6 minutes.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. GORE. I yield to the distinguished Senator from South Carolina.

Mr. MAYBANK. Mr. President, I wish to be perfectly frank. I have not had an opportunity to study the amendment offered by the distinguished Senator from Tennessee. I should like to ask him certain questions about it. I should like to know what his amendment would do under certain conditions, but not because I come from a State which produces cotton and spins cotton and exports cotton, because I believe a United States Senator must be bigger than to give consideration only to what is good for his State when the interests of the Nation as a whole are involved.

I should like to know something about the Senator's amendment because I have been so busy on the Appropriations and Banking and Currency Committees that I have not had the opportunity to study it. First, under the Senator's amendment would the power of the President of the United States be increased and would he be able to enter into more liberal trade agreements with other countries, who are in competition with this country with respect to cotton and its products?

Mr. GORE. My amendment would convey authority to the President of the United States to make more liberal agreements in some respects and less liberal agreements in other respects, when compared with the bill sponsored by the junior Senator from Colorado [Mr. MILLIKIN].

To answer the Senator's question specifically—and I shall have to hurry along, because I have only 6 minutes remaining, with respect to imports from Japan, the bill sponsored by the Senator from Colorado would authorize the President to enter into trade agreements to reduce the import tax on any commodity from Japan by 50 percent next year. The maximum under my substitute amendment on the importation of goods from Japan in any case would be limited to 16⅔ percent during the first year.

Mr. MAYBANK. In other words, under the Senator's substitute amendment the President would not have the power to reduce the tariff on textiles imported into this country from Japan to as great an extent as he would under the bill which would extend the reciprocal trade agreements for 1 year?

Mr. GORE. He would have no greater authority. My substitute amendment provides more safeguards. Under the bill sponsored by the Senator from Colorado [Mr. MILLIKIN] the tariffs on imports from Japan could be reduced next year by 50 percent. I wish to be fair and say that I have seen no indication that the administration has any such thing in mind, but the authority is contained in that bill.

Mr. MAYBANK. Having spent my life in cotton and textile businesses, I know that the Japanese market is in Southeast Asia and in Java and in Indochina, where we are having so much trouble today. But the Japanese are also the largest purchasers of American cotton since the downfall, so to speak, of the United Kingdom.

Mr. GORE. Over a 3-year period the amendment I have introduced would provide the same authority to reduce rates on imports from Japan as would be provided by the bill sponsored by the Senator from Colorado [Mr. MILLIKIN], but in other respects my amendment is far more restrictive.

Mr. MAYBANK. In what way?

Mr. GORE. It provides 5 percent for each of the 3 successive years.

Mr. MAYBANK. That would be 15 percent.

Mr. GORE. Yes. The bill sponsored by the Senator from Colorado contains no such safeguards.

I should like to point out one additional factor. The administration, after long study, wanted authority to work out multilateral agreements. A desirable trade agreement with Japan would involve a 3-, 4-, or 5-way deal. I do not believe that another 1-year or an 11-month extension gives sufficient time to work out more than a bilateral agreement. What we would like to do is to sell raw products to Japan, let Japan process them and sell them to Indonesia and Siam, and we in turn get from those countries rubber, tin, and manganese, and other strategic supplies.

Mr. MAYBANK. I have an open mind at this point with respect to the amendment. If under the Senator's substitute amendment the textile industry would be better protected than under the committee bill—I know the amendment provides for an extension of 3 years, but on the other hand I know that not very much can be done in 1 year either—I should be inclined to vote for his amendment.

Mr. GORE. Mr. President, the colloquy illustrates one thing. The substitute amendment, drafted after long study, and recommended by the Randall Commission, and then studied by the various agencies of the executive branch of the Government, and submitted to every department of the Government, comes before the Senate with more careful study and more careful planning than does the committee bill. This colloquy illustrates that fact.

I shall cite another example, which was referred to earlier today. Under the committee bill import duties of crude oil can be reduced next year by 50 percent. Under my substitute such duties can be reduced only 5 percent next year, 5 percent the second year, and 5 percent the third year, or a maximum of 15 percent.

I submit, Mr. President, that the substitute, having the endorsement of the Randall Commission, having the endorsement of the administration, having the endorsement of every department of the Government, has been thought out carefully. It is presented after much study—certainly more study than the

committee bill has been given. I ask the Senate to pass the substitute as a moderate bill. I do not wish to say that it is a protectionist bill. I favor more liberalized foreign trade. I think the substitute bill takes more cautious steps than may be necessary, but I submit that the evidence now shows that they are cautious steps in the right direction.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. JOHNSTON of South Carolina. Has the Senator from Tennessee stricken out the provision with respect to the 50 percent reduction or increase of the 1945 rate?

Mr. GORE. Mr. President, I ask unanimous consent that I may speak for one-half a minute in order to answer the question of the distinguished Senator from South Carolina?

Mr. JOHNSON of Texas. Mr. President, I yield 1 additional minute to the Senator from Tennessee.

Mr. GORE. Will the Senator from Texas allow me 2 minutes?

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Tennessee.

Mr. GORE. Mr. President, will the Senator from South Carolina repeat his question?

Mr. JOHNSTON of South Carolina. In the bill reported by the committee, there is a provision under which a 50 percent reduction or increase may be made in the 1945 rate. Does the Senator's substitute eliminate that feature?

Mr. GORE. Let me state it this way. Under the committee bill, the imports can be reduced 50 percent below the 1945 rate, or increased over the 1945 rate. My amendment provides for reductions over a 3-year period.

With respect to commodities other than from Japan, the maximum is 5 percent per year, or a total of 15 percent. With respect to imports from Japan, it is 16⅔ percent per year for 3 years.

The committee bill would allow it all to be done at once.

Mr. MAYBANK. At 50 percent?

Mr. GORE. At 50 percent.

Mr. JOHNSTON of South Carolina. What would be done in 3 years under the Senator's substitute could be done in 1 year under the committee bill?

Mr. GORE. I believe that is a fair statement.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GORE. I believe my 2 minutes have been used up. The Senator has his own time available.

The PRESIDING OFFICER. The time of the Senator from Tennessee has expired.

Mr. MILLIKIN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Colorado has 6 minutes remaining.

Mr. MILLIKIN. I should like to say to the Senator from South Carolina and to other Senators who are wondering what would happen to textiles, that I have a report, prepared by the Tariff Commission, of items that carry more than a 50-percent tariff. The list in-

cludes many items of cotton cloth and textiles.

Under the Gore amendment, the President could reduce those tariffs to 50 percent without any ifs, ands, but, or maybes. He could do it in any trade agreement. I think that answers the questions which have been asked about that point.

There is a whole list of the items, which anyone may examine, which includes textiles to a very large degree.

Mr. GORE. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. GORE. Will the Senator state whether it is true or not true that under his bill, if enacted into law, the President would be authorized to enter into a reciprocal trade agreement with Japan to make a 50-percent reduction in import rates?

Mr. MILLIKIN. I would say that the President, under the bill, within a year, or maybe longer, if we should grant more time, would be authorized to make an agreement with Japan. Does the Senator deny that right?

Mr. GORE. The Senator has not replied fully to my question. I know the able Senator wants to operate with the fullest of understanding. Will the Senator not reply fully to my inquiry?

Mr. MILLIKIN. I shall do the best I can. I thought I had answered the Senator's question. If there is any doubt between us, I suggest, without wishing to be offensive to the Senator, that the question between us, if there is one, reinforces the point that this very, very important subject needs more study.

Mr. GORE. I submit to the Senator that nothing he says or does could ever be offensive to the junior Senator from Tennessee. The Senator from Colorado is one of the most affable and courteous Members of this body.

Mr. MILLIKIN. I thank the Senator.

Mr. GORE. Mr. President, will the Senator from Colorado yield further?

Mr. MILLIKIN. I yield.

Mr. GORE. I shall propound the same question to the Senator. If the bill he advocates is enacted into law, will or will not authority be granted to the President to enter into reciprocal trade agreements with Japan to make a 50 percent reduction in import duties?

Mr. MILLIKIN. I would say that under the present state of the law, or under the bill as amended, the President could enter into a reciprocal trade agreement with Japan.

Mr. GORE. Will the Senator not complete his statement? Enter into reciprocal trade agreements with Japan, yes. The original act provided authority for the President to reduce tariffs by 50 percent. No reciprocal trade agreement has been entered into between the United States and Japan, has it?

Mr. MILLIKIN. That is correct.

Mr. GORE. Therefore, the entire authority of the original act, if extended by the Senator's bill, would remain. Is not that correct?

Mr. MILLIKIN. Yes. Let me read what the distinguished Senator's amendment provides:

Provided, That the foregoing qualifications relative to import quantities shall not apply

to decreases, proclaimed to carry out a trade agreement to which the Government of Japan is a party, which the President determines are necessary in order to provide expanding export markets for products of Japan, including such markets in third countries.

Mr. GORE. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. GORE. On page 6—

Mr. MILLIKIN. I was reading from page 4.

Mr. GORE. This applies to it.

I believe we have a clear understanding that the bill would extend the authority of the original act. Is that correct?

Mr. MILLIKIN. That is correct.

Mr. GORE. It would extend it until June 12, 1955. Is that correct?

Mr. MILLIKIN. Yes; so far as the authority to make agreements is concerned.

Mr. GORE. Then, all the authority contained in the original act would be extended until June 12, 1955.

Mr. MILLIKIN. The original act as amended.

Mr. GORE. And that contains the full authority of the original act?

Mr. MILLIKIN. Yes; of the 1945 rate.

Mr. GORE. And the original act contained authority to reduce all import duties by 50 percent?

Mr. MILLIKIN. Yes.

Mr. GORE. We understand that. Now I come to my amendment. On page 6, line 11, subsection (C), it is provided as follows:

(C) No more than one-third of any decrease in duty to which alternative (II) or (III) of paragraph (2) (iv) of this subsection is applicable shall become initially effective at one time, nor until any previous part of such decrease shall have been in effect for not less than 1 year.

I believe the Senator from Colorado and I will now be in full agreement as to the scope of authority granted by the two measures.

Mr. MILLIKIN. We are in full agreement that under the Senator's amendment it is provided:

That the foregoing qualifications relative to import quantities shall not apply to decreases, proclaimed to carry out a trade agreement to which the Government of Japan is a party, which the President determines are necessary in order to provide expanding export markets for products of Japan—

Mr. GORE. Mr. President, will the Senator from Colorado yield further?

Mr. MILLIKIN. Yes.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MILLIKIN. Mr. President, whose time has expired? [Laughter.]

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Mr. MILLIKIN. Then I shall take my time out of the time allotted to discussion on the bill.

Mr. GORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GORE. All time on amendments having expired, is the matter open to debate, or—

The PRESIDING OFFICER. The amendment itself is not open to any further debate. The Senator from Colorado has 95 minutes remaining.

Mr. GORE. Then the Senator from Colorado is now using his time in support of the bill?

The PRESIDING OFFICER. That is correct.

Mr. MILLIKIN. Mr. President, yesterday there was a question raised with reference to the amendment proposed by the Senate Finance Committee and recommended by all the members of that committee, except two. Those recommending it, including the distinguished Senator from Georgia [Mr. GEORGE], as he stated himself this afternoon, were aware of the fact that the bill would grant 1 year's extension. It was stated yesterday that that was not the desire of the President. So I shall repeat what I said yesterday, that under date of May 20, 1954, the White House released a letter written by the President in response to a letter he had received from a Charles H. Percy, in which the following was said:

As you know, several recommendations in my message on foreign economic policy can be carried out without further legislative authority. Among these are clarification of the application of the buy American legislation, assistance through the International Monetary Fund and the Federal Reserve System to nations which undertake convertibility of their currencies, renegotiation of the organizational provisions of the General Agreement on Tariffs and Trade for submission to the Congress, encouragement to overseas investment—

And so forth. Coming, now, to the second paragraph following that, I read further:

Since the present act expires on June 12, 1954, a simple 1-year extension will, of course, be required for the interim period.

Mr. President, in the debate yesterday it was said that that somehow was changed by a speech which the President had made on June 22, 1954. I got that speech from the White House. I have read every word of it, and I say that it in no way affects the suggestion that granting a 1-year extension is the proper thing to do. If there is any question about it, I should be glad to read the speech. Otherwise, there is no use in taking time.

May I ask whether the distinguished Senator from Tennessee, [Mr. GORE] questions what I have said?

Mr. GORE. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. GORE. I respectfully question what the distinguished Senator from Colorado has said, not to the extent that he understands he is making a statement not accurate with the facts. I submit that the practical situation and precedent calls for a widely expanded and liberalized trade program with Japan. I say that in a 1-year period, now reduced, before the bill could possibly be enacted, to about 11 months, multi-lateral agreements could hardly be negotiated.

Mr. MILLIKIN. Mr. President, will the Senator let me clinch on that point?

Mr. GORE. Certainly.

Mr. MILLIKIN. Is there anything in the President's speech, under the Senator's interpretation of it, which changes the President's position on the 1-year extension?

Mr. GORE. I believe the President's speech has as the burden of its import an extension of the reciprocal-trade agreements program in an effective manner. Would the Senator from Colorado agree with that statement?

Mr. MILLIKIN. I do not think the President would advocate an ineffectual extension. He has advocated a 1-year extension.

Mr. GORE. Then, under the Senator's bill, no authority is given to reduce tariffs, except in the case of Japan, over the present law.

Mr. MILLIKIN. Under the bill proposed by the Senate Committee on Finance, the President has a year in which to make reciprocal-trade agreements with Japan or with other countries, and, therefore, he could follow a procedure of lowering tariffs, if he wished to do so. I think that is obvious. I do not believe that statement can be challenged.

Several claims have been made by the opponents of the bill. It has been argued by those who wish a 3-year extension, as I have said, that we are not following the President's request when we ask for a 1-year extension. I believe that what I have read to the Senators effectually disposes of that argument.

There has been another argument: I think the substance of it is that the 1-year extension is a sort of stray child, wandering around without support.

I repeat: The House vote was 283 to 52. The vote in the House Committee on Ways and Means was 23 to 0. The vote in the Senate Committee on Finance was unanimous, except for two. The distinguished Senator from Georgia [Mr. GEORGE], the leader of the opposition in the Committee on Finance, has told the Senate this afternoon that he favors a 1-year extension.

The Gore amendment is intended to put into immediate effect some very important recommendations of the Randall Commission. I wish to make the point, which I hope will answer the argument which has been made again and again by the distinguished Senator from Tennessee [Mr. GORE], to the effect, "Oh, the committee wants to make further study. They have been studying all this time; now they want to study more."

I think we should study more, and I will state why, in a moment.

I call the attention of the Senator from Tennessee to the stack of material now on my desk. It stands about a foot and a half or 2 feet high, and represents the staff material and the hearing material developed by the Randall Commission. I may say there were no long hearings. The stack represents mostly the staff material and the rest hearing material. All of this material was furnished to members of the Randall Commission. It is the material on which the Randall Commission acted.

I say that we cannot enact sound legislation unless such material as this can be given congressional review. The House Committee on Ways and Means intends to give that kind of review. So does the Senate Committee on Finance. There is no alternative, unless it is intended to legislate, as I described it yesterday, by divine afflatus, by things picked out of the air.

I do not know of anymore difficult work than the analysis of tariff matters when they come before Congress. The Senator from Tennessee understands how tariff matters affect the people of his State and the problems which are presented. Think of the Senate, with this material having come from the Randall Commission, sitting here this afternoon and saying, "We know everything we need to know. We have not read it through. We do not know anything about it. But someone says it is all right, and that it will tell us to follow the Gore amendment. So let us go, boys. Let us legislate in that way on things that have a vital effect on the payrolls of the country. Let us sit here during an afternoon of rhetoric and debate, and say that we know everything we need to know, and we do not need to study any more. We can disregard all this material, because we are wise enough to come up with the answers out of our own heads."

Mr. President, I respectfully suggest that that is not the way we should do business in the Senate. The Senate Committee on Finance is going to study this matter, and I know that the House Committee on Ways and Means likewise will study it. It was intended that these committees should study it.

No one ever had the nerve to say that the Randall Commission's conclusions would be binding on the House or the Senate.

The Randall Commission had meeting after meeting. The Senator from Georgia [Mr. GEORGE] knows of the vast scope of material which was before the Randall Commission. So does the Senator from Virginia [Mr. BYRD] and the Senator from Connecticut [Mr. BUSH]. So does the Senator from Iowa [Mr. HICKENLOOPER], and so do I. They know of the matters which came before the Randall Commission.

Out of the various and assorted conclusions by the Randall Commission came findings. But the Randall Commission is not the Congress of the United States. Its conclusions must receive the consideration of Congress under normal congressional processes.

It may be said, "You have had since January, when the Randall Commission report was made. You have had all that time to study these matters. You have had all these months."

But the House Committee on Ways and Means, as the Senators will soon learn, has been engaged in formulating a revision of the tax law, which has required months and months and hundreds of witnesses and almost continuous sessions, of that committee. They have drafted social-security legislation on which the Senate Committee on Finance is now hearing testimony.

No one ever could say that the House Committee on Ways and Means has not done a hard job of work this year. No one with any sense of fairness would say, "You should have done more. You should have written a 1,000-page revision bill. You should have written a new approach to social security. You should have performed a half dozen other miscellaneous jobs. But also you should have made a complete study of the whole tariff and trade agreement programs."

I say Senators who would say that are asking something impossible of performance, and it should not be asked.

I may say on behalf of the Senate Committee on Finance that we have not been loafing this year. We spent weeks and weeks hearing testimony on the tax bill. We have held several weeks of staff and executive sessions. We are only now getting into a consideration of social security. There has been no opportunity to study the work of the Randall Commission as a basis for legislation. But that opportunity will come under a year's extension.

That is the issue here. Are we ready to enact a law based on recommendations which we have not made, and on material which we have not had an opportunity to study?

I am not talking about the opportunity that we might have had if we were a nice, leisurely committee in the Senate or the House, sitting around since January and doing nothing.

Someone might say, "We cannot wait on you fellows any longer."

I say that no other two committees could have worked more faithfully than the House Committee on Ways and Means and the Senate Finance Committee on Finance have worked. There simply has not been the time to consider the Randall Commission report.

So I say that that in itself should dispose of the argument: "Why do the boys need more time to study? They have had the Randall Commission report for several months, yet they still want to study it more."

Yes, we want to study it more and more. The interests of the country require that we study it more and more. The interests of the country require that we know something about what is in this material which is on my desk, and that will take more time.

The job will commence early next year. It will take time in the Senate Committee on Finance, as I am sure it will in the Ways and Means Committee of the House of Representatives. So I do not believe a valid argument can be made that this is merely another proposal that a study be made of the question, and that therefore we should go ahead and enact legislation because someone has read something and has said, "It sounds like an awfully good idea; let's rush it through, boys. Let's get it out of the way."

No. The customary way to legislate is on recommendations of committees, and to vote yes or no, up or down. Let us know what the recommendations of the Randall Commission are. Let us know what testimony supports the rec-

ommendations, and what testimony is against the recommendations.

Mr. President, I should like to reiterate, by saying: No. 1, the 1-year extension proposed has been approved by the President; No. 2, it has been approved by the Senate Finance Committee; No. 3, it has been approved by the House Ways and Means Committee; No. 4, it has been approved by the House of Representatives.

Why 1 year? Why not 3 years? Since 1948, when we went into the so-called GATT, which was an executive agreement, and was never submitted to the Congress, Congress has said it wanted to examine that agreement. Some people want to approve it; some want to disapprove it; some want to change it.

However, GATT deals with the fixing of customs and the value of our own and foreign money, and since GATT deals with this and other important subjects, Congress has simply said, "We will not approve or disapprove it until we have had it submitted to us for approval."

I do not mean to draw any mean implications so far as others are concerned, but I am merely stating it as a fact that for the first time the President of the United States has said he will submit a revised GATT, if he can achieve it, to the Congress of the United States. How is that reflected in the question as to the length of the extension?

Starting in 1948, the Senate took cognizance of the new existence of GATT, and wrote the following into its report recommending an extension.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield.

Mr. KNOWLAND. If it is agreeable to the other side, and I understood they desired to have the yeas and nays ordered, I ask that the yeas and nays be ordered on the amendment offered by the Senator from Oklahoma [Mr. GORE] for himself and other Senators.

The yeas and nays were ordered.

Mr. MILLIKIN. Back in 1948 the Senate Finance Committee had this to say about GATT:

In reporting out this bill your committee reserves questions such as those posed by allegations that the authority conferred under section 350 of the Tariff Act has been exceeded either by incorporation of general regulatory provisions in the multilateral trade agreement recently concluded at Geneva, or otherwise. Many of these regulatory provisions duplicate provisions in the Habana Charter for an International Trade Organization—

At this point I might interpolate to say that representatives of the State Department before the present administration came into power told the Senate Finance Committee that they would no longer press for an international trade agreement. However, the GATT contains the heart provisions of the International Trade Organization Charter. So, as I say, the members of the Senate Finance Committee, without regard to party, said, "We have got to take a look at this." Now to continue the excerpt from the Senate Finance Committee's report of 1948—

for an international trade organization and therefore a consideration will be given these

matters when the Habana Charter is presented to the Congress. If the United States accepts membership in the International Trade Organization broad statutory changes would be needed to carry out effectively engagements that would follow from this country's acceptance of membership in that organization. This approaching decision respecting membership in the International Trade Organization is a strong reason for not extending the Trade Agreements Act of 1934 beyond June 30, 1949.

That is the main reason for the 1-year extension, because members were waiting to get GATT before them so that we could say either, "Yes; we will take it," or "No; we won't take it." That is the present reason.

I may say that in 1948 at the time the report from which I have just read was written, there was a Republican Congress. The distinguished Senator from Georgia [Mr. GEORGE] in 1949 submitted on the floor a report of the Senate Finance Committee, which stated, in part:

In reporting this bill your committee would emphasize that its enactment is not intended to commit the Congress on questions raised by incorporation of general regulatory provisions in the multilateral trade agreement recently concluded at Geneva or on any other aspect of our foreign-trade program. No doubt full consideration will be given these matters when the Habana charter for an international trade organization is presented to the Congress.

I remind my colleagues again that the International Trade Organization was abandoned.

A Mr. Thorp, then of the State Department, at some international meeting which I think had to do with our Moroccan treaty and the kind of treatment our servicemen were getting over there, made an affidavit that Congress had approved GATT. From that time on, with no objection in the committee, we put in the law a statement that GATT was neither approved nor disapproved. We did so at that time; we did it in the first session of the 83d Congress; and we did the same thing yesterday.

Not enough has been said about GATT, and we have always said that whenever there was a full-scale debate on the subject, we would be prepared to bring out the facts. However, I should like very briefly to tell some of the aspects about which we should be thinking, and which are directly connected with the period for which the reciprocal trade acts should be extended. If GATT is resolved one way, it would lead us to extensions for a certain period of time; if GATT is resolved another way, there might be other types of extensions. An extension of 1 year will give us enough time to study the results, because the State Department is working on the subject and has assured us there will be action.

Of 32 members of GATT, this country has 1 vote. I suggest that our country has an interest which is adverse to the interest of all other countries which have signed GATT. They are all interested in getting the lowest possible tariff so far as we are concerned, and the highest possible tariffs so far as they are concerned. They are protecting their interests, as we should be protecting ours. By a majority, or a two-thirds vote, this

executive agreement, which the Congress has never passed upon, can do a vast number of things. It can add to the international obligations of the United States in trade matters, without submitting anything to Congress.

It can impair or destroy the rights and benefits to which the United States is entitled as a matter of international law.

Now let me state some of the specific powers of the contracting parties, under the general agreement on trade and tariffs some of the powers of the contracting parties, some of the things that may be done by half or two-thirds of the total number of votes—32 in all, of which we would have only 1 vote.

Mr. President, may there be order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MILLIKIN. Mr. President, I am not a temperamental fellow who expects the Chamber to fall into silence when he speaks; but I should like to be able to hear myself speak, even if no one else is able to hear me. [Laughter.]

Under article XXIII of GATT, by a majority vote, the contracting parties are authorized to suspend any concessions or obligations of a complaining party.

Under article XXV, paragraph 5 (a) of the general agreement, the contracting parties are permitted to waive any obligation imposed upon a party to the agreement, in any circumstances deemed exceptional by the contracting parties. The only limitation on this power is that such a decision must be approved by a two-thirds majority of the votes cast, and that such a majority shall comprise more than half of the contracting parties.

Mr. President, under the agreement, who may waive such an obligation? The contracting parties may do so. They may do so by a two-thirds majority, and we would have only one vote.

Under article II, paragraph 6 (a), the contracting parties may also engage in devaluations of currencies. That may be done by the contracting parties, by majority vote of the 32 nations; and in that connection the United States would have only one vote; and each of the 32 nations has interests which may be adverse to those of the United States.

By a majority vote, the same contracting parties, in agreement with the International Monetary Fund, must formulate rules governing the conversion of currencies—a very, very important matter. If it is possible for a country to control the convertibility rates for currencies, no matter what may be done by way of tariff enactment, that country can bring about most any tariff result it wishes.

In article XI is found a general prohibition against the use of quotas and similar quantitative restrictions on imports or exports, with certain exceptions. If the contracting parties should decide that a certain quantitative restriction—perhaps a quota arrangement made by some one of the contracting parties, possibly by the United States—is not in accordance with the way a majority of the contracting parties like, they will de-

cide the question. We might suffer seriously.

Again, Mr. President, by a majority vote the contracting parties could determine which nations would be materially affected by proposed protective measures. That determination could be made by majority vote. The contracting parties could thus resolve all the issues against us, or they could resolve them for us. Those decisions could be made by a majority vote, in connection with which the United States would have only one vote.

Mr. President, I have before me an entire list of various items of the sort to which I have just referred. However, I shall not read to the Senate the whole list, for I have no desire to belabor the point.

Again and again, we have made 1- or 2-year extensions. There is nothing unusual about doing that. We have made 1-year extensions because we were waiting for GATT to come before the Congress, so we could decide what parts of that agreement are acceptable to us and what parts are not acceptable to us, so we could know how to lay a sound foundation for our trade program. That has been the main purpose.

Now we are assured that we shall have a chance to look at GATT. Of course, what the President may negotiate with foreign countries may or may not be acceptable to us. Certainly the Congress, which has the constitutional duty and right of looking after all questions of our trade and commerce and of looking after the value of our own, and foreign money insofar as it affects the United States, has a right to look at GATT, and then to say, "Yes, we like this" or "we do not like that, and we are in favor of changing it this way or that way or the other way."

At least we shall have that chance, whereas we have not previously had it. Again and again, 1-year extensions have been made, so that we could clear up the matter. That has been the reason for the 1-year extensions. It is a good reason for the present proposed 1-year extension.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Tennessee [Mr. GORE], for himself and other Senators.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREEN (when his name was called). On this vote I have a pair with the junior Senator from Ohio [Mr. BURKE]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

Mr. FREAR (when his name was called). On this vote I have a pair with the junior Senator from Missouri [Mr. SYMINGTON]. If he were present and voting he would vote "yea." If I were at liberty to vote I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from Maryland [Mr. BUTLER] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Ohio [Mr. BRICKER] the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

If present and voting, the Senator from New York [Mr. IVES], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. WILEY], and the Senator from North Dakota [Mr. YOUNG] would each vote "nay."

Mr. CLEMENTS. I announce that the Senator from Ohio [Mr. BURKE], the Senator from Mississippi [Mr. EASTLAND], the Senator from North Carolina [Mr. ERVIN], the Senator from Oklahoma [Mr. KERR], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Missouri [Mr. SYMINGTON] is necessarily absent.

I announce further that on this vote the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from North Carolina would vote "nay."

I announce also that on this vote the Senator from Georgia [Mr. RUSSELL] is paired with the Senator from Oregon [Mr. MORSE], who is necessarily absent. If present and voting, the Senator from Georgia would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 32, nays 45, as follows:

YEAS—32

Anderson	Hennings	Long
Byrd	Hill	Magnuson
Chavez	Holland	Mansfield
Clements	Humphrey	Maybank
Daniel	Jackson	Monroney
Douglas	Johnson, Tex.	Murray
Ellender	Johnston, S. C.	Robertson
Fulbright	Kefauver	Smathers
Gillette	Kennedy	Sparkman
Gore	Lehman	Stennis
Hayden	Lennon	

NAYS—45

Aiken	Ferguson	Mundt
Barrett	Flanders	Neely
Beall	George	Pastore
Bennett	Goldwater	Payne
Bowring	Hendrickson	Potter
Bridges	Hickenlooper	Purtell
Bush	Johnson, Colo.	Saltonstall
Butler, Nebr.	Kilgore	Schoeppel
Carlson	Knowland	Smith, Maine
Case	Kuchel	Smith, N. J.
Cooper	Langer	Thye
Cordon	Malone	Upton
Dirksen	Martin	Watkins
Duff	McCarran	Welker
Dworshak	Millikin	Williams

NOT VOTING—18

Bricker	Frear	McClellan
Burke	Green	Morse
Butler, Md.	Ives	Russell
Capehart	Jenner	Symington
Eastland	Kerr	Wiley
Ervin	McCarthy	Young

So the amendment offered by Mr. GORE for himself and other Senators was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MUNDT. Mr. President, on behalf of the Senator from Wyoming [Mr. BARRETT], the junior Senator from Nevada [Mr. MALONE], the senior Senator from Nevada [Mr. MCCARRAN], the Senator from Idaho [Mr. DWORSHAK], the Senator from North Dakota [Mr. YOUNG], the Senator from Nebraska [Mr. BUTLER], the Senator from Mississippi [Mr. STENNIS], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Colorado [Mr. JOHNSON], the Senator from Washington [Mr. MAGNUSON], the Senator from Utah [Mr. WATKINS], the Senator from Arizona [Mr. GOLDWATER], the Senator from Montana [Mr. MURRAY], and myself, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. Does the Senator desire that the amendment be printed without being read?

Mr. MUNDT. I ask that it be printed in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment offered by Mr. MUNDT for himself and other Senators is as follows:

On page 1 add the following section 2:

"SEC. 2. Section 8 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong. 1st sess.) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows:

"(c) Subsections (a) and (b) of section 22 of the Agriculture Adjustment Act, as amended (U. S. C., title 7, sec. 624), are hereby amended to read as follows:

"SEC. 22. (a) Whenever any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the domestic market place, or any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law 320, Seventy-fourth Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction with respect to any agricultural commodity or product thereof, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, the Secretary of Agriculture shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation. Upon receipt of any such petition an immediate investigation shall be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Tariff Commission shall specify. The Tariff Commission shall make and publish its report to the President at the earliest possible date, but in no event more than 6 months after the day on which a petition for investigation was filed.

"(b) If, on the basis of such investigation, the Tariff Commission finds and reports

to the President the existence of such facts, he shall, within 30 days by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as the Tariff Commission has found and declared in its report to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the domestic market place, or any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Tariff Commission: *And provided further*, That in designating any article or articles, the Tariff Commission may describe them by physical qualities, value, or use, or upon such other basis as it shall determine."

Mr. KNOWLAND. Mr. President, a number of Senators have inquired as to the program for the remainder of the day. We expect to continue this evening with the consideration of the pending bill, and to vote on such amendments as are pending or may be offered, so I hope Senators will hold themselves in readiness and remain in close proximity to the Senate Chamber, so that we may complete action on the bill tonight.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. MUNDT] for himself and other Senators.

Mr. MUNDT. Mr. President—

The PRESIDING OFFICER. The Senator from South Dakota is recognized. How much time does the Senator yield to himself?

Mr. MUNDT. I yield myself 10 minutes.

Mr. President, this is an issue which has been before the Senate a great many times, and with which my colleagues are thoroughly conversant.

The amendment we propose merely represents language which strengthens section 22 of the Agricultural Adjustment Act, which has been incorporated in farm legislation and reciprocal-trade legislation for a great many years. We propose to make operative by this amendment the intent I am sure Congress had at the time section 22 was originally written, and the intent Congress had a year ago when some minor strengthening language was added to that section.

We can point to some very good authority for the amendment we have offered. The Secretary of Agriculture, Mr. Benson, a year ago appeared before a number of congressional committees and discussed the relative merits of section 22 and of section 104 of the Defense Production Act. In discussing section 22, Secretary Benson wisely and properly and correctly pointed out that the in-

tent of the section was considerably stronger and considerably more vital than its operation had indicated, due to the fact that the language of the section as originally written proved to be too cumbersome.

I should like to quote from what Secretary Benson stated on May 6, 1953, before the House Ways and Means Committee. He said:

In recognition of the fact that a stimulation of imports can impose an intolerable burden on a price support program, the Congress enacted section 22 of the Agricultural Adjustment Act. This section provides for the imposition of import quotas or import fees whenever imports of any agricultural commodity or product thereof render or tend to render ineffective or materially interfere with any price support of marketing order program. This is permanent legislation.

He indicated that under that permanent legislation only 5 investigations had been instituted during a period of 17 years, despite the fact that repeatedly producers of one product or another had urged that there be investigations concerning commodities in which they were interested. During the past year an increase has been made in the number of these investigations, and I believe now the number is approximately 10.

On May 6, 1953, Secretary Benson went on to say:

Section 22 requires that imports of such commodities shall be limited to such quantities as the Secretary of Agriculture finds will not (1) impair or reduce domestic production below current levels or such higher levels as deemed desirable; (2) interfere with orderly domestic storing and marketing; or (3) result in an unnecessary burden or expenditure under a price support program.

Secretary Benson proceeded to discuss section 104 of the Defense Production Act, which he was then proposing should be allowed to expire, because at that time he felt, as I am sure he feels now, that section 22 could be properly strengthened to carry out the purposes Congress had in mind when it wrote section 104 of the Defense Production Act.

However, we are aware of the fact that section 104 expired with the Defense Production Act. Therefore, the protection which the producers had up to a year ago is no longer operating to protect them against the threat of foreign imports from low-cost production areas.

Secretary Benson recognized the need for strengthening section 22, because on the same day he testified as follows:

Section 22 can be made an effective instrument by improved administrative procedures and by supplementing it with authority, in an emergency to impose the quotas or import fees within the limits specified by the section * * *. So strengthened, section 22 would assure the protection of the Department's price-support and other programs against interference or nullification by the distortions in international trade which such programs are likely to create.

With the strengthening of section 22 there will be no need for extension of section 104. The strengthening of section 22 can be accomplished by expedited administrative action and by separate legislative action.

It is that separate legislative action in which those of us who have offered the pending amendment are joined in

an effort to have added now at the right time and in the right place.

Section 104 is no longer a part of the law. This is the only opportunity we have to meet this particular problem, at the proper place, and in the proper way.

The pending amendment would bring about two primary results. In the first place, Mr. President, the amendment would strengthen section 22 by providing an opportunity for interested parties to petition the Tariff Commission directly to make an investigation whenever any article or articles are being imported or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the domestic marketplace.

The Tariff Commission must then publish its report to the President at the earliest possible date.

The second change proposed by the amendment in the nature of strengthening section 22 is contained in the provision that within 30 days after the Tariff Commission has reported to the President—now it is 90 days from the time the Tariff Commission undertakes its work—the President shall by proclamation impose such fees or import quotas as have been recommended by the Tariff Commission within the limits of section 22.

In the main, Mr. President, that is all the amendment seeks to accomplish. It does, however, make effective a price-support program for agriculture.

I believe there is little, if any, argument among us that if we are to have a price-support program for agriculture—and we all recognize we must have it, even though we fall into two or three separate camps as to the nature or type of the price-support program which should be maintained—and whether we finally settle on stabilized price supports at 90 percent, or unstable price supports ranging from 75 to 90 percent, or from 60 percent to 100 percent, or any other kind of price-support program, if the price-support program is to work successfully it must be a price-support program for American agriculture, for American farmers, and for American farm products.

I have yet to see anyone stand on the floor of the Senate and be so thoroughly optimistic, or so self-confident in the prowess of Uncle Sam, as to say that we can maintain a price-support program which pegs the price of every agricultural commodity produced in any area of the world.

Without a provision in section 22 to afford reasonable protection against the flood of imports which might otherwise come in, we will find ourselves in the position of having to provide price supports for all the commodities raised in foreign lands which are imported into the United States.

I submit that if any price-support program is to operate successfully, without at the same time jeopardizing the solvency of America, and without increas-

ing the surpluses, about which we are now worried, it is essential that we provide the means and the machinery whereby, under certain circumstances, we can exclude the onrush of foreign agricultural products.

I point out that there are other reasons besides the interest we have in a sound farm program and the interest we have in protecting the Treasury of the United States, which should impel thoughtful Senators to vote for the amendment we have offered. One reason is that unless we provide some machinery and some means whereby, by adequate tariff protection and quotas under certain circumstances, we keep out the flood of foreign agricultural products, we will find ourselves in the unhappy and incongruous position of providing in the American market a magnet so strong and so attractive that it will pull from foreign lands, which need food and fibers worse than we do, the products of the soil, to be dumped upon our surpluses, in order to get that attractive price.

Actually we tend to impoverish other countries of the world when we establish too attractive a market which they can enter without any limitations whatsoever. So we wind up doing this, Mr. President: We attract other countries, which need food and fiber more than we do, we purchase products which we do not need and cannot use and which we stockpile, and then, finding ourselves with these surpluses on our hands, we follow a program of giving away to some foreign countries the foods and fibers we have taken from other foreign countries which need them just as badly as do the countries to which we ultimately give them.

So it seems that we need this kind of protective legislation in order to enable us to operate successfully and on a solvent basis.

Mr. LANGER. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. LANGER. I notice that according to the RECORD we imported, from July 1, 1952, to December 30, 1952, 1,304,000 bushels of rye; that from July 1, 1953, to December 30, 1953, we imported 11,512,000 bushels; that in 1952, for the 6 months, we imported 30,524,000 bushels of oats, and from July 1 to December 30, 1953, we imported 40,414,000 bushels of oats.

Will the distinguished Senator explain how his amendment would remedy that situation?

With reference to rye, we imported from Canada more than half the total crop we raise in this country.

Mr. MUNDT. The Senator from North Dakota is correct; and he realizes, too, that in his State and in my State, under the crop allotment program, it is entirely possible to plant rye on much of the acreage which is no longer available for wheat. The amendment would make it possible to maintain a price program for rye and to exclude sufficient foreign rye so that our producers could produce rye as they did in former years.

Mr. LANGER. The amendment is offered to cut down the period of time within which the President could render a decision—

Mr. MUNDT. We ultimately got a decision as to rye, but it came late, after much of the damage had already been done. The amendment would have enabled the producers of rye, whenever there should be an imminent danger, to carry their appeal direct to the Tariff Commission, which, after 60 days, could make a finding, and the President would have to act within 30 days.

Mr. LANGER. There was a hearing before the Antimonopoly Subcommittee, and we tried for many, many months to stop the importation of certain products from Canada, but we got exactly nowhere under the old law. I am curious to know how much time will be saved by the adoption of the Senator's amendment.

Mr. MUNDT. It would cut down the time for an almost interminable delay to a maximum delay of 90 days.

Mr. LANGER. The Senator can be certain that I shall be glad to support the amendment. More than that, I should like to be a cosponsor.

Mr. MUNDT. The Senator from North Dakota appeared before the House Ways and Means Committee and before the Senate and House Agriculture Committees a year ago with reference to the problem.

Mr. CASE. Mr. President, will my colleague from South Dakota yield?

Mr. MUNDT. I yield.

Mr. CASE. I should like to commend my colleague for taking effective leadership in offering this amendment which I think appeals to anyone who has been studying the agricultural situation in this country.

I note that the first part of section 22 (a) refers specifically to any program or operation undertaken, and then says "or any loan, purchase, or other program or operation undertaken by the Department of Agriculture."

My colleague will remember that a year or so ago some New Zealand beef entered this country, and shortly after the introduction of that beef the Secretary of Agriculture undertook a program of buying cows and canning them and placing them under the program. Does the distinguished Senator feel that the language, as it appears in lines 11 and 12, on page 2, would be sufficiently inclusive to meet such a situation as that?

Mr. MUNDT. It would certainly be my interpretation and understanding that it would. I am glad my colleague pointed out the specific illustration of the New Zealand beef importation. Such importations affect the whole price-support program. Coming as he does, from one of the greatest cattle-producing areas in one of the greatest cattle-producing States of the Union, the Senator from South Dakota well recalls that the program never got underway. It began to slow up farm prices, so far as beef was concerned. It would have been much easier if we had had this kind of legislation which would have excluded that type of importation.

Mr. CASE. The amendment, it seems to me, Mr. President, would insure speedier action on the part of the Tariff Commission. While I suspect that with the flood of problems before the Tariff Commission, investigations by it may

take time, the amendment is certainly a movement in the right direction, and I hope it will be accepted by the Senate.

Mr. MUNDT. It does not particularly change the mechanics, except that from now on we will be able to lock the door before the horse is stolen, instead of afterward.

Mr. MAGNUSON. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I yield.

Mr. MAGNUSON. There has been some confusion about the amendment. It has been stated that it deals only with agricultural products which are price supported or under a Government program, and that Congress has twice acted on a similar amendment which was offered by the Senator from Washington.

It is not in conflict with the general program. It deals with a specific type of agricultural products, and it deals with the foreign situation—

The PRESIDING OFFICER. The Chair will advise the Senator from South Dakota that he has used all but 3 minutes of his time.

Mr. MAGNUSON. Mr. President, in time past when some of these things have happened, in connection with the wool situation, for instance, the old cumbersome procedure used to take a year or 18 months, and then it was too late.

Mr. MUNDT. That is correct.

Mr. MAGNUSON. The thing to do is to streamline the procedure, so, as the Senator has pointed out, we can lock the door before the horse is stolen. It does not necessarily mean that there will not be possibly cases which are very serious to segments of the agricultural industry at the time they occur. This sort of amendment was anticipated in the first Geneva Conference. It was expected that governments which were spending money in trying to support agricultural programs should have an opportunity to protect the programs so they would not be put in jeopardy by some other country dumping commodities at a certain time because of an excess of a particular type of agricultural product.

Mr. MUNDT. The Senator is absolutely correct.

Mr. MAGNUSON. I think the effect of the amendment itself will be salutary in other nations. They will have a better balance.

Mr. MUNDT. I think it will be fully as helpful to foreign countries as it will be to us, because it will enable them to keep the foods and fabrics which they raise.

Mr. MAGNUSON. It is not directed to any particular country. It is merely what we agreed upon in Geneva, that each nation would have a right to take action of this kind.

Mr. MUNDT. It is essential, unless we propose to put a price floor under all the farm products of the world. We cannot operate the brain process fast enough to achieve that.

Mr. MAGNUSON. One of the reasons for the amendment is that section 22 has never been quite clear, and the amendment would clear the whole situation.

Mr. MUNDT. I think the amendment would carry out the intent which Congress has always had.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. MUNDT. I yield.

Mr. BARRETT. Is not the purpose of the amendment to make it abundantly clear precisely what was intended when section 22 was adopted?

Mr. MUNDT. I think there is no question in the world that it represents what Congress had in mind from the very inception.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUNDT. I suggest that I yield the floor to some other Senator. The Senate is operating under a time limitation. Perhaps the Senator from Wyoming desires to obtain time in his own right.

Mr. HOLLAND. Mr. President, I should very much like to address some questions to the distinguished Senator from South Dakota, who is the principal sponsor of the amendment.

The PRESIDING OFFICER. The Senator from South Dakota has 10 minutes remaining, in case he desires to yield some additional time.

Mr. MUNDT. I shall try to obtain some time from my opponents. If there is time remaining when I have completed, I will use it for the purpose of answering questions.

I yield 3 minutes to the Senator from Wyoming.

Mr. BARRETT. Mr. President, it seems to me that the amendment should be agreed to, if for no other reason than to insure that the original intent of Congress in adopting section 22 is carried out.

If section 22 was not intended to be mandatory after the Tariff Commission had made its study and its findings, then there would be no good reason why a provision of that character should be on the books.

In my opinion, Mr. President, if we are to protect the price support system for agricultural commodities in this country, it is absolutely imperative that we protect them against foreign imports and from the dumping of foreign agricultural commodities on the market, thus destroying our price support system.

As I see it, the amendment merely puts sufficient teeth into section 22 so that when the process has been carried through, and findings have been made that imports are destroying, or may destroy, a price-support program in the United States, then an import fee shall be imposed.

I hope the amendment will be agreed to.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. MUNDT. I ask for the yeas and nays.

Mr. KNOWLAND. I join in the request for the yeas and nays.

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, will the Senator yield 5 minutes to me?

Mr. MILLIKIN. I yield 5 minutes to the Senator from Vermont.

Mr. AIKEN. As I read the amendment, I judge there would be 3 or 4 significant results from its enactment.

First, it would strike a body blow to dairy industry of the United States, and particularly to the great fluid milk areas of the Northeast. It would, in effect, nullify the wool bill, which was passed by the Senate about 2 months ago, and which, I believe, would be of the greatest benefit to the wool growers and the wool processors of any of the legislation which has been enacted so far.

Adoption of the proposed amendment would drive the consumers of the country to the use of synthetic fiber and away from wool, just as has been happening in the past, and as will happen with increasing intensity in the future if wool is priced too high.

It would result in retaliation on the part of Canada and most of our other good customers, to whom we export fruit, cotton, tobacco, and many other kinds of farm products. It would drive our customers to other areas of the world to obtain the things which they need—to countries in which they would not be excluded from dealing to such a great extent as this amendment would exclude them from dealing in the United States.

It would really cripple the extension of trade in American farm commodities throughout the world. It might protect a few commodities in a restricted area. It might prove of temporary benefit to the producers of rye, barley, and wheat in 3 or 4 Northwestern States. It would hurt American agriculture, particularly that part of our agriculture which produces the nonbasics, which comprise 77 percent of the total agricultural production.

Aside from what I have said, the amendment probably is harmless.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MILLIKIN. How much time does the Senator from California desire?

Mr. KNOWLAND. I think 5 minutes will be sufficient.

Mr. MILLIKIN. I yield 5 minutes to the Senator from California.

Mr. KNOWLAND. Mr. President, I rise to oppose the amendment offered by the Senator from South Dakota and other Senators because it is much more far reaching in its consequences than appears at first glance.

Here are some of the changes it would make in section 22 of the Agricultural Adjustment Act, which was enacted by Congress only after most careful consideration:

First. It would take away from the President any right of independent judgment and any power to consider the overall national interest. If the price of a commodity were below parity and there were any appreciable imports, the Secretary of Agriculture would have to request an investigation, the Tariff Commission would have no choice but to recommend action, and the President would have no power to reject the recommendation of the Commission, even if the action should be disastrous to all our other national interests or be far more costly to American agriculture

than is the condition the amendment is intended to correct.

Second. It would go far beyond the present objective of section 22. By requiring action whenever imports prevent a domestic agricultural product from selling at full parity, it would vastly extend the scope of the section both in concept and in the commodities covered. It would give notice to the world that no imports of any agricultural product would be permitted unless the domestic product was selling at 100 percent of parity. The President would face an impossible task in trying to retain and improve foreign markets for American agricultural exports.

Third. It would enthrone full parity price as a national objective and would apply this principle to every agricultural commodity, whether or not either Congress or the administration has decided on a program to support its price. In the long run, such a policy could serve only to mislead the American farmer into uneconomic production and into the accumulation of unsalable surpluses.

Fourth. It would deprive not only the President but also the Tariff Commission of any right to determine whether an investigation is justified by the known facts. Any interested party could ask for an investigation, and the Tariff Commission would have to act immediately and give precedence to such an investigation.

I urge that the amendment be rejected, and that the Senate, for the reasons previously stated by the distinguished Senator from Colorado, who is chairman of the Committee on Finance, adopt the 1-year extension without the amendment.

Mr. HOLLAND. Mr. President, will the Senator yield 5 minutes to me?

Mr. MILLIKIN. I yield 5 minutes to the senior Senator from Florida.

Mr. HOLLAND. I rise to oppose the adoption of the amendment. I think the statement just made by the distinguished majority leader covers in a brief way each of the points which I had expected to make, but I wish to accentuate two of them now.

First, in order that there may be a comparison in the Record between the provisions of the present law and the sweeping proposal which we are now considering, I ask unanimous consent to have printed at this point in the Record, as a part of my remarks, subsections (a) and (b) of section 22, which is carried as section 624 of title VII of the United States Code.

There being no objection, the subsections were ordered to be printed in the Record, as follows:

624. LIMITATION ON IMPORTS; AUTHORITY OF THE PRESIDENT

(a) Whenever the President has reason to believe that any one or more articles are being or are practically certain to be imported into the United States under such conditions and in sufficient quantities as to render or tend to render ineffective or materially interfere with any program or operation undertaken, or to reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation under sections 601-608a, 608b, 608c, 608d, 612, 613, 614-619, 620, 623, 624, of this

title or sections 590a-590c, 590f-590h, 590i, 590j, 590q, of title 16, or section 612c of this title, he shall cause an immediate investigation to be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigation shall be made after due notice and opportunity for hearing to interested parties and shall be conducted subject to such regulations as the President shall specify.

(b) If, on the basis of such investigation and report to him of findings and recommendations made in connection therewith, the President finds the existence of such facts, he shall by proclamation impose such fees on, or such limitations on the total quantities of, any article or articles which may be entered, or withdrawn from warehouse, for consumption as he finds and declares shown by such investigation to be necessary to prescribe in order that the entry of such article or articles will not render or tend to render ineffective or materially interfere with any program or operation undertaken, or will not reduce substantially the amount of any product processed in the United States from any commodity subject to and with respect to which any program is in operation, under sections 601-608, 608a, 608b, 608c, 608d-612, 613, 614-619, 620, 623, 624 of this title or sections 590a-590e, 590f-590h, 590i-590q of title 16, or section 612c of this title: *Provided*, That no limitation shall be imposed on the total quantity of any article which may be imported from any country which reduces such permissible total quantity to less than 50 percent of the average annual quantity of such article which was imported from such country during the period from January 1, 1929, to December 31, 1933, both dates inclusive.

Mr. HOLLAND. Mr. President, it will appear from merely a casual reading of the two quoted subsections of the present law that the law does not relate to all agricultural products, but clearly is designed to protect those certain products and those programs which are set up to handle the same products which are subject to price-support programs or marketing-agreement programs, or other deliberately organized programs of the Department of Agriculture.

I repeat, the present law does not seek to embrace all agricultural commodities, but is devoted only to the effort to try to protect actual programs entered into by our Government either under price-support structures or under marketing-agreement structures. In other words, the proposed amendment would vastly enlarge the scope and number of the agricultural commodities which are sought to be embraced by the law, and would cover all agricultural commodities.

I call to the attention of the Senate the fact that the amendment would positively destroy the incentive to intelligent farmers to avail themselves of the benefits of marketing agreements and of other facilities set up under our present law, by giving them the full benefit of the proposed amendment, regardless of whether they had done anything for themselves to improve the status of their products. Furthermore, instead of simply trying to preserve a price-support structure which might be set at 90, 75, or 85 percent, this would make the protected goal 100 percent of parity, and it states, for the information of all who care to read, that the real objective of all our agricultural laws is 100 percent

of parity in the market place for every commodity, although every person who knows anything about our agricultural laws knows that most of our commodities are not even covered by price supports or marketing agreements. The amendment is positively misleading, and seems to intend to write into law something which would destroy the initiative of farmers to protect themselves, and would have us shooting at a star of 100 percent of parity. At the same time, we would be serving notice to the world that we intend to give all of our agricultural products 100 percent of parity whether or not the farmers are doing anything to protect themselves and their products and, further, that we propose to shut out all competing products up to the extent of imposing a 50-percent import tax or cutting off imports of certain products that we might wish to cut off by the imposition of quotas. I do not believe that the amendment is even slightly in accord with the way in which we approach agricultural problems under our law, or with sound policy in the field of foreign trade, and I certainly hope that the amendment will be heavily defeated.

The PRESIDING OFFICER (Mr. UP-
TON in the chair). Is further time re-
quested?

Mr. CASE. Mr. President, a parlia-
mentary inquiry.

The PRESIDING OFFICER. The
Senator will state it.

Mr. CASE. Is an amendment to the
amendment in order?

The PRESIDING OFFICER. An
amendment to the amendment is in or-
der if no further time is requested for
debate on the pending amendment.

Mr. CASE. May I offer an amend-
ment at this time?

The PRESIDING OFFICER. If the
remaining time is yielded, an amend-
ment to the amendment is in order.

Is the time waived? The Chair hears
no objection, and the Senator from
South Dakota may offer his amendment
to the amendment.

Mr. CASE. Mr. President, my amend-
ment is on page 2, in lines 18 and 19, I
propose to strike out the words "and any
interested party may", together with the
commas before and after that clause.

I should like to address an inquiry to
my colleague, the author of the amend-
ment, and say to him it occurs to me
that to make it possible for any inter-
ested party to require the Tariff Com-
mission to make an investigation might
burden the Tariff Commission with an
undue number of investigations, and
make it impossible for it to proceed
promptly.

Mr. MUNDT. Mr. President—

The PRESIDING OFFICER. How
much time does the Senator from South
Dakota yield?

Mr. CASE. I yield myself 6 minutes.

Mr. MUNDT. Mr. President, will the
Senator yield?

The PRESIDING OFFICER. Before
proceeding further, the clerk will state
the amendment to the amendment.

The LEGISLATIVE CLERK. In the amend-
ment of Mr. MUNDT, on page 2, in lines
18 and 19, it is proposed to strike out

the words "and any interested party
may."

Mr. MUNDT. Mr. President, will the
Senator yield?

Mr. CASE. I yield to the Senator
from South Dakota.

Mr. MUNDT. Members of the com-
mittee gave some thought to the partic-
ular point raised by my colleague. We
recognize that the United States Tariff
Commission is the arbitrator in the case.
It determines whether or not a person
does have an adequate interest in order
to qualify as an interested party, so
that the Commission can prevent any
capricious request from being made by
someone who simply steps in without a
legitimate interest. The only reason
why the particular language sought to
be stricken out was incorporated in the
amendment was in order that a great
trade organization, as, for example, the
Wheat Growers Association, or a farm-
ers' organization, or a group of interested
producers, could have a sort of con-
trolling power over the Secretary of
Agriculture in the event that a particu-
lar Secretary might be slow to act or
might delay action.

The whole purpose of the amendment
is to speed up the day of decision. It
gives such organizations a sort of police
power, because if the Secretary of Agri-
culture does not act, representatives of
such organizations may go directly to the
United States Tariff Commission. If the
organizations could establish the legiti-
macy of their interest, and show that
their interest was a sizable one, and
pressing enough for immediate action,
the United States Tariff Commission
would then act.

Mr. CASE. As I was saying during my
discussion with the author of the amend-
ment, I realize that the purpose of the
amendment is to expedite action; but
the provision contains the bothersome
inclusion of the right of any interested
party to petition the Tariff Commission
to make an immediate investigation.
The amendment then provides that upon
the receipt of any such petition, an im-
mediate investigation shall be made. It
also provides that the investigation shall
be made after due notice to interested
parties and opportunity for hearing.
The amendment also provides that the
Tariff Commission shall make and pub-
lish its report to the President at the
earliest possible date, but in no event
more than 60 days after the day on
which a petition for investigation was
filed. That provision could so burden the
Tariff Commission that it would be im-
possible for it to make reports within
60 days.

Mr. MUNDT. Except that if an inter-
ested party makes the request to the
United States Tariff Commission, and it
is a legitimate request, the Commission
has the option of deciding which peti-
tions it is going to consider, by taking
into account whether the interest is siz-
able enough, of enough substance, and
of enough direct interest to warrant
consideration by the Commission. I would
say that in the main the Secretary of
Agriculture would sense the situation
and act in conformity with the law; but
there have been many delays during the
course of the years. Only five cases were

heard in the preceding administration. With Mr. Benson as Secretary of Agriculture, there were as many cases heard last year as were heard in the entire preceding 17 years. It seems to me to be a wise safeguard to give our agricultural producers the same right to petition the Tariff Commission as the Constitution provides for other citizens to petition Congress.

Mr. CASE. Mr. President, I do not want to take the entire time which has been permitted under the unanimous-consent agreement, but I suggest that if there is given to any interested party the right to require the Tariff Commission immediately to make an investigation, it will place an undue burden upon the Tariff Commission.

Mr. MUNDT. A party could not require the Commission to act; he could petition it. The Tariff Commission would have the right to turn down the petition. On line 18 on page 2 of the proposed amendment it is provided that a person may petition the Tariff Commission to make an immediate investigation. That does not necessarily mean that the Commission has to act in compliance with the desires of the petitioner. The United States Tariff Commission has control of the tariffs, and it can decide to which petitions for investigations it will give priority, which ones have the greatest importance. I think the amendment would leave the authority in the hands of those who will have to make the final decision on the question.

Mr. CASE. Even if we omit the language which my amendment seeks to strike, it would require the Secretary of Agriculture to make the petition. It provides that upon a certain condition arising, the Secretary of Agriculture shall "petition the United States Tariff Commission to make an immediate investigation."

I think the following sentence then would place upon the Tariff Commission a rather heavy burden:

Upon receipt of any such petition an immediate investigation shall be made by the United States Tariff Commission—

And although it—
shall give precedence to investigations under this section to determine such facts—

Apparently the amendment does not give authority for the petitions to be thrown out or disregarded.

Therefore, I hope my amendment to my colleague's amendment will be agreed to.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota [Mr. CASE] to the amendment submitted by the Senator from South Dakota [Mr. MUNDT] for himself and other Senators.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment submitted by the Senator from South Dakota [Mr. MUNDT] on be-

half of himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate. The Senator from Maryland [Mr. BUTLER] and the Senator from Wisconsin [Mr. WILEY] are absent on official business. The Senator from Ohio [Mr. BRICKER], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

On this vote the Senator from North Dakota [Mr. YOUNG] is paired with the Senator from North Carolina [Mr. ERVIN]. If present and voting, the Senator from North Dakota [Mr. YOUNG] would vote "yea," and the Senator from North Carolina [Mr. ERVIN] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Ohio [Mr. BURKE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senators from North Carolina [Mr. ERVIN and Mr. LENNON], the Senator from Iowa [Mr. GILLETTE], the Senator from Oklahoma [Mr. KERR], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Missouri [Mr. SYMINGTON] is necessarily absent.

The Senator from Oregon [Mr. MORSE] is necessarily absent.

I announce further that on this vote the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from North Carolina would vote "nay," and the Senator from North Dakota would vote "yea."

I announce also that if present and voting the Senator from Mississippi [Mr. EASTLAND], the Senator from Iowa [Mr. GILLETTE], and the Senator from North Carolina [Mr. LENNON] would each vote "yea."

The result was announced—yeas 23, nays 52, as follows:

YEAS—23

Anderson	Humphrey	McCarran
Barrett	Jackson	Mundt
Bennett	Johnson, Colo.	Murray
Butler, Nebr.	Johnson, Tex.	Schoeppel
Case	Langer	Stennis
Daniel	Magnuson	Watkins
Dworshak	Malone	Welker
Goldwater	Mansfield	

NAYS—52

Aiken	George	Millikin
Beall	Gore	Monroney
Bowring	Green	Neely
Bridges	Hendrickson	Pastore
Bush	Hennings	Payne
Byrd	Hickenlooper	Potter
Carlson	Hill	Purtell
Clements	Holland	Robertson
Cooper	Johnston, S. C.	Saltonstall
Cordon	Kefauver	Smathers
Dirksen	Kennedy	Smith, Maine
Douglas	Kilgore	Smith, N. J.
Duff	Knowland	Sparkman
Ellender	Kuchel	Thye
Ferguson	Lehman	Upton
Flanders	Long	Williams
Frear	Martin	
Fulbright	Maybank	

NOT VOTING—20

Bricker	Gillette	McClellan
Burke	Hayden	Morse
Butler, Md.	Ives	Russell
Capehart	Jenner	Symington
Chavez	Kerr	Wiley
Eastland	Lennon	Young
Ervin	McCarthy	

So the amendment offered by Mr. MUNDT, on behalf of himself and other Senators, was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MALONE. Mr. President, I now offer the amendment to which I referred earlier in the day.

The PRESIDING OFFICER. Does the Senator wish to have the amendment read?

Mr. MALONE. The amendment was printed in the RECORD earlier in the day.

The PRESIDING OFFICER. Without objection, the amendment will be printed in the RECORD at this point without reading.

Mr. MALONE's amendment is as follows:

At the end of the bill add the following new section:

"That as used in this act the term 'strategic and critical metals, minerals, and materials' means any metal or mineral ore or concentrate not fabricated into finished form, and any other material, which is determined to be strategic or critical under section 2 (a) of the Strategic and Critical Materials Stockpiling Act.

"SEC. 2. It is declared to be the policy of the Congress to develop and promote the production of strategic and critical metals, minerals, and materials within the United States so that such metals, minerals, and materials will be available to the Nation in time of war and to relieve the United States from dependency upon foreign areas for such strategic and critical metals, minerals, and materials, the transportation of which in time of war would be difficult or impossible. It is necessary and essential that a proper economic climate be created or exist to encourage the development and production of our strategic and critical metals, minerals, and materials. Such economic climate would enable the United States to maintain a going concern critical minerals and materials industry within the United States in time of peace which can supply the Nation with such strategic and critical metals, minerals, and materials in time of war. To create such favorable economic climate and to accomplish the other objectives of this act it will be necessary to reestablish a principle in the regulation of import duties on strategic and critical metals, minerals, and materials to provide for fair and reasonable competition between foreign producers and domestic producers.

"SEC. 3. (a) There is hereby created a Strategic and Critical Minerals and Materials Authority, to be composed of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, the Secretary of the Treasury, and the Chairman of the United States Tariff Commission (hereinafter referred to as the Authority), which shall have the powers conferred by this act with respect to any strategic and critical metal, mineral, and material whenever the Authority certifies that such strategic and critical metal, mineral, or material requires relief as authorized herein.

"(b) The Authority may, subject to the civil-service laws, appoint such employees as it deems necessary to carry out its functions under this act and shall fix their compensation in accordance with Classification Act of 1949, as amended.

"(c) There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

"SEC. 4. All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930, as amended, insofar as they relate to strategic and critical metals, minerals, and materials, are hereby transferred to, and shall be exercisable by the Authority, including but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"SEC. 5. (a) The Authority is authorized and directed from time to time, and subject to the limitations herein provided, to prescribe and establish import duties upon strategic and critical metals, minerals, or other materials, which will provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

"(1) the lowest, highest, average, and medium landed duty paid price of the article from foreign countries offering substantial competition;

"(2) any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

"(3) the policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits;

"(4) increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each;

"(5) the actual and potential future ratio of volume and value of imports to volume and value of production, respectively;

"(6) the probable extent and duration of changes in production costs and practices; and

"(7) the degree to which normal cost relationships may be affected by grants, subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Authority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however, That*

no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

"(e) In order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided, That* any such order is first submitted to Congress by the Authority and is not disapproved, in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this act: *Provided, however, That* no such quantitative limit shall be imposed contrary to the provisions of any foreign trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

"(i) For the purpose of this section—

"(1) The term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country.

"(2) The term 'United States' includes the several States and Territories and the District of Columbia.

"(3) The term 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions).

"(4) The term 'landed duty paid price' means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing consumer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry."

The PRESIDING OFFICER. How much time does the Senator yield to himself?

Mr. MALONE. I yield myself 10 minutes.

Mr. President, this amendment would apply to the minerals and materials

listed as critical, which means that a part or all of such minerals and materials would be produced in and imported into this country from areas where in time of war it would be impossible to reach them, or to import them. I offer the list to be printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

LIST OF STRATEGIC AND CRITICAL MATERIALS
ACQUIRED BY PURCHASE

GROUP I

Minerals

Abrasive crude aluminum oxide; aluminum; antimony; asbestos, amosite; asbestos, chrysotile; asbestos, crocidolite; bauxite, metal grade; bauxite, refractory grade; beryl; bismuth; cadmium; celestite; chromite, chemical grade; chromite, metallurgical grade; chromite, refractory grade; cobalt columbite; copper; corundum; diamonds, industrial; fluorspar, acid grade; fluorspar, metallurgical grade; graphite, amorphous lump; graphite, crucible grade; graphite, lubricant and packing grade; kyanite; lead; magnesium; manganese ore, battery grade; manganese ore, chemical grade; manganese ore, metallurgical grade; mercury; mica, muscovite block, good stained and better; mica, muscovite block, stained (radio tube quality); mica, muscovite film; mica, muscovite splittings; mica, phlogopite splittings; molybdenum; nickel; petroleum; platinum group metals, iridium; platinum group metals, platinum; quartz crystals; rare earths; selenium; tin; titanium; rutile ilmenite; tungsten; vanadium; zinc; uranium; thorium.

Nonminerals

Bristles, hog; castor oil; coconut oil; cordage fibers, abaca; cordage fibers, sisal; cotton, extra-long staple; feathers and down, waterfowl; hyoscine; iodine; jewel bearings, instrument jewel except vee jewels; jewel bearings, sapphire and ruby vee jewels; jewel bearings, watch and timing device jewels; opium; palm oil; pyrethrum; quinidine; quinine; rubber, crude natural; sapphire and ruby; shellac; silk; talc, steatite, block; sperm oil; vegetable tannin extract, chestnut; vegetable tannin extract, quebracho; vegetable tannin extract, wattle.

GROUP II

Minerals

Bauxite, abrasive; cryolite, natural; graphite, crystalline fines; ilmenite; mica, muscovite block, stained and lower; mica, phlogopite block; platinum group metals, osmium; platinum group metals, palladium; platinum group metals, rhodium; platinum group metals, ruthenium; rutile; selenium; zirconium ore, baddeleyite; zirconium ore, zircon.

Nonminerals

Agar; cotton; diamond dies; emetine; optical glass; talc, steatite, ground; wool.

Mr. LANGER. Mr. President, I think the Senator should read the list.

Mr. MALONE. The amendment reads in part, as follows:

That as used in this act the term "strategic and critical metals, minerals, and materials" means any metal or mineral ore or concentrate not fabricated into finished form, and any other material, which is determined to be strategic or critical under section 2 (a) of the Strategic and Critical Materials Stockpiling Act.

SEC. 2. It is declared to be the policy of the Congress to develop and promote the production of strategic and critical metals, minerals, and materials within the United States so that such metals, minerals, and materials will be available to the Nation in time of

war and to relieve the United States from dependency upon foreign areas for such strategic and critical metals, minerals, and materials, the transportation of which in time of war would be difficult or impossible.

To administer the act:

SEC. 3. (a) There is hereby created a Strategic and Critical Minerals and Materials Authority, to be composed of the Secretary of the Interior, the Secretary of Defense, the Secretary of Commerce, the Secretary of the Treasury, and the Chairman of the United States Tariff Commission (hereinafter referred to as the Authority), which shall have the powers conferred by this act with respect to any strategic and critical metal, mineral, and material whenever the Authority certifies that such strategic and critical metal, mineral, or material requires relief as authorized herein.

As to the powers to be exercised by the Authority:

SEC. 4. All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930, as amended, insofar as they relate to strategic and critical metals, minerals, and materials, are hereby transferred to, and shall be exercisable by the Authority, including but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

SEC. 5. (a) The Authority is authorized and directed from time to time, and subject to the limitations herein provided, to prescribe and establish import duties upon strategic and critical metals, minerals, or other materials, which will provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

(1) the lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

(2) any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

Mr. President, as I have already stated, the amendment has heretofore been printed in the RECORD. I shall simply say that the Authority could take into consideration any manipulation of currency, price, or control, or any subsidizing of exports from foreign nations to this country, in fixing the proper import fee on the basis of fair and reasonable

competition. The Authority could also transfer any article from the dutiable list to the free list or from the free list to the dutiable list.

Reading further from the amendment:

(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

The Authority, on its own motion, or by request, could consider any commodity, and provide for quotas, with the following proviso:

Provided, however, That no such quantitative limit shall be imposed contrary to the provisions of any foreign-trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

What this amendment is designed to do is to make available and develop within the United States, the critical materials without which this Nation can not fight a war, and which are now obtained from nations across major oceans.

The PRESIDING OFFICER (Mr. CARLSON in the chair). Is further time desired on the amendment? If not, the question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE]. As many as favor the amendment will say "Aye"; opposed, "No." The "Noes" have it, and the amendment is not agreed to.

Mr. MALONE. A division, Mr. President.

The PRESIDING OFFICER. The Chair has already announced the result of the vote. The amendment is rejected.

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated June 24, 1954, which I have received from John C. Lynn, legislative director of the American Farm Bureau Federation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 24, 1954.

Hon. ALBERT GORE,
United States Senate,
Washington, D. C.

DEAR SENATOR GORE: We are much concerned over a proposed amendment to section 22 which has been proposed by Senator MUNDT and several other Senators. This amendment makes some very drastic changes in section 22 which we believe are unnecessary and unwise.

It adds a new standard for the application of section 22, the effect of which would be to require additional restrictions on imports, either by quotas or imposing fees to the extent necessary to maintain full parity prices for farm products in the United States. Even under existing temporary price support legislation, it is not mandatory to support prices above 90 percent of parity. To invoke import restrictions when prices are below full parity for the purpose of boosting domestic prices to full parity levels would drastically change the concept and application of section 22. It would convert section 22 into a protectionist device which conceivably could do much harm to our foreign trade by inviting a flood of retaliatory actions.

The proposed amendment also takes away the discretionary authority of the President to determine whether to impose import quotas or fees under section 22 and make it mandatory upon the President to put into effect whatever findings are made by the Tariff Commission. In effect, the President of the United States is made an agent of the Commission to proclaim its findings. We believe it is unwise and unnecessary to remove the President's discretionary authority.

The fact is, section 22 as now improved and amended and with the improved procedures that have been adopted during the past year, is working satisfactorily. The existing powers and authority in the act are adequate to deal with needed actions with respect to imports which jeopardize the effectuation of farm price support programs. Therefore, we believe it would be unnecessary and unwise to approve the changes proposed in the amendment. If adopted, they could do much harm to our foreign export outlets for agricultural products and other commodities as well. We hope the amendment will be rejected.

Sincerely yours,

JOHN C. LYNN,
Legislative Director.

Mr. JOHNSON of Colorado. Mr. President, I call up the so-called Symington amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert the following new section:

SEC. 2. No action shall be taken pursuant to such section 350 to decrease the duty on any article the continued domestic production of which, in volume sufficient to meet projected national defense requirements, as determined by the President, would be threatened by such decrease in duty.

The PRESIDING OFFICER. How much time does the Senator from Colorado yield himself on the amendment?

Mr. JOHNSON of Colorado. Not very long. Approximately 3 minutes.

The junior Senator from Missouri [Mr. SYMINGTON] could not be present today because he is away on official business. He asked me if I would look after this amendment for him. I am glad to do so, because I am very much in favor of the amendment. I believe it is founded on correct principles.

I wish to read from a statement made by the Senator from Missouri with regard to this amendment. He wanted me to tell the Senate that he is a strong supporter of reciprocal trade agreements. He believes in the reciprocal trade agreement approach to tariff adjustments, and favors the extension of the President's authority in that respect. However, he feels that no tariff action should be taken unless clear mutual advantage will result from such action, and with our own welfare foremost in the minds of the American negotiators. He feels that foreign trade must be on a two-way-street basis.

He emphasizes the harsh realities of the world in which we live, which is the world in which we trade and do business. He states that at this time we should not take any actions regarding international trade without premising each such action on the question: How does this affect our national defense?

That is the heart and soul of the amendment.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. GEORGE. I do not think there will be any objection to the amendment. I believe the President already has the broad power the amendment provides, but it is not amiss to pinpoint it, so that when the President faces a situation such as is depicted in the amendment, he shall have that discretion. I believe it is in the law already, but I think the amendment is timely.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. MILLIKIN. I should like to say that so far as I am concerned, I am willing to take the amendment to conference.

Mr. JOHNSON of Colorado. I thank the Senator. It is a very good amendment. It should be adopted.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] for the Senator from Missouri [Mr. SYMINGTON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill was read the third time.

The PRESIDING OFFICER. The question is on the final passage of the bill.

Mr. KNOWLAND. Mr. President, on the final passage I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from New York [Mr. IVES] is absent by leave of the Senate.

The Senator from Maryland [Mr. BUTLER] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

The Senator from Ohio [Mr. BRICKER], the senior Senator from Indiana [Mr. CAPEHART], the junior Senator from Indiana [Mr. JENNER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from North Dakota [Mr. YOUNG] are necessarily absent.

If present and voting, the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], the Senator from Wisconsin [Mr. WILEY], the senior Senator from Indiana [Mr. CAPEHART], and the junior Senator from Indiana [Mr. JENNER] would each vote "yea."

On this vote the Senator from New York [Mr. IVES] is paired with the Senator from North Dakota [Mr. YOUNG]. If present and voting, the Senator from New York [Mr. IVES] would vote "yea" and the Senator from North Dakota [Mr. YOUNG] would vote "nay."

Mr. CLEMENTS. I announce that the Senator from Ohio [Mr. BURKE], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senators from North Carolina [Mr. ERVIN and Mr. LENNON], the Senator from Iowa [Mr. GILLETTE], the Sen-

ator from Alabama [Mr. HILL], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Oklahoma [Mr. KERR], the Senator from Arkansas [Mr. McCLELLAN], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

The Senator from Missouri [Mr. SYMINGTON] is necessarily absent.

I announce further that if present and voting, each of the Senators whose absence I have announced would vote "yea."

I announce also that the Senator from Oregon [Mr. MORSE] is necessarily absent and if present would vote "yea."

The result was announced—yeas 71, nays 3, as follows:

YEAS—71

Aiken	George	Maybank
Anderson	Goldwater	Millikin
Barrett	Gore	Monroney
Beall	Green	Mundt
Bennett	Hayden	Murray
Bowring	Hendrickson	Neely
Bridges	Hennings	Pastore
Bush	Hickenlooper	Payne
Byrd	Holland	Potter
Carlson	Humphrey	Purtell
Case	Jackson	Robertson
Clements	Johnson, Colo.	Saltonstall
Cooper	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Smathers
Daniel	Kennedy	Smith, Maine
Dirksen	Kilgore	Smith, N. J.
Douglas	Knowland	Sparkman
Duff	Kuchel	Stennis
Dworshak	Langer	Thye
Ellender	Lehman	Upton
Ferguson	Long	Watkins
Flanders	Magnuson	Welker
Frear	Mansfield	Williams
Fulbright	Martin	

NAYS—3

Butler, Nebr.	Malone	McCarran
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NOT VOTING—21

Bricker	Gillette	McCarthy
Burke	Hill	McClellan
Butler, Md.	Ives	Morse
Capehart	Jenner	Russell
Chavez	Kefauver	Symington
Eastland	Kerr	Wiley
Ervin	Lennon	Young

So the bill (H. R. 9474) was passed.

Mr. MILLIKIN. Mr. President, I move that the Senate reconsider the vote by which the bill has just been passed.

Mr. KNOWLAND. Mr. President, I move that the motion of the Senator from Colorado be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Colorado.

The motion to lay on the table was agreed to.

APPROPRIATIONS FOR DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE, 1955

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1637 (H. R. 9447) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies for the fiscal year ending June 30, 1955, and for other purposes.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 9447) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related inde-

pendent agencies for the fiscal year ending June 30, 1955, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 9447) making appropriations for the Departments of Labor and Health, Education, and Welfare, and related independent agencies for the fiscal year ending June 30, 1955, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. KNOWLAND. Mr. President, I will say for the information of the Senate that it is not intended to debate or vote on the bill tonight, but simply to make it the unfinished business before the Senate tomorrow.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. What are the Senator's plans for tomorrow?

LEGISLATIVE PROGRAM

Mr. KNOWLAND. I will say to the distinguished minority leader that, in addition to the appropriation bill, I hope to take up tomorrow the conference report on the Armed Services appropriation bill, on which the House acted today, and also, depending on what progress we make tomorrow, to take up a number of other bills which have been previously mentioned, namely, Calendar 1541, House bill 303, to transfer the maintenance and operation of hospital and health facilities for Indians to the Public Health Service, and for other purposes, and Calendar No. 1604, Senate bill 3385, to provide for more effective extension work among Indian tribes and members thereof, and for other purposes.

I will say to the distinguished Senator from Texas that that will probably complete our work for tomorrow. I shall then make some additional announcements. It is possible that we may want to consider in executive session the international Copyright Convention, which may then go over to the following day for action, so that we can clear the decks to take up the tax bill, starting on Monday.

I should like to ask the calendar committees of both the majority and the minority if they can be prepared—it will be a fairly short calendar, in any event, because it will be called from where we left off at the last calendar call—to take up the legislative calendar on Saturday.

Mr. GORE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. GORE. The minority calendar committee will be ready.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. In the event there should be time to do so, would it be the intention of the Senator from California to call up Senate Concurrent Resolution 91 with reference to prevent-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued June 29, 1954
For actions of June 28, 1954
83rd-2nd, No. 119

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HIGHLIGHTS: House debated foreign aid bill. House acted on amendments to trade agreements bill. Conferees announced agreement on surplus commodities bill. Senate debated tax revision bill. Sen. Millikin discussed soil conservation provision. Both Houses agreed to conference report on Interior appropriation bill. Senate passed legislative-judiciary appropriation bill. Sen. Anderson recommended earmarking of forest receipts for recreation. Senate committee reported life insurance bill for Federal employees. House received USDA proposal to authorize cooperation with Canada and Mexico in insect control.

HOUSE

1. FOREIGN AID. Began debate on H. R. 9678, the foreign aid authorization bill, which had been reported on June 25 during House recess (H. Rept. 1925)(pp. 8665, 8622, 8624-60). The bill authorizes appropriations for the fiscal year 1955, for military aid, economic development assistance, and technical cooperation.
2. SURPLUS COMMODITIES. On June 26, during House recess, the conferees agreed to file a report on S. 2475, to aid in disposal of surplus commodities, but the report was not actually submitted. The "Daily Digest" states: "Among other agreements made, the conferees agreed to reduce the total amount to be sold from \$1 billion to \$700 million, and to retain \$300 million for famine relief." (p. D750.)
3. TRADE AGREEMENTS. Concurred in the Senate amendment to the trade agreements bill, H. R. 9474, providing that this bill indicates no congressional decision on GATT, and concurred with an amendment to the Senate amendment to provide that no trade agreement shall endanger defense production (pp. 8660-1).
4. INTERIOR APPROPRIATION BILL, 1955. Both Houses agreed to the conference report on this bill, H. R. 8680, and acted on amendments in disagreement (pp. 8614-18, 8592-5). This bill will now be sent to the President.

5. INSECT/CONTROL. Received from this Department a proposed bill to authorize cooperation with Mexico and Canada in the control of incipient or emergency outbreak of insect pests or plant diseases in those countries; to Agriculture Committee (p. 8665).
6. EDUCATION. The Education and Labor Committee reported with amendment H. R. 9640, to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of the program (H. Rept. 1941)(p. 8665).
7. RECLAMATION. The Committee on Interior and Insular Affairs reported with amendment H. R. 236, to authorize the Fryingpan-Arkansas project (H. Rept. 1943), and without amendment S. J. Res. 165, to authorize the Glendo unit, Wyo. (H. Rept. 1944)(p. 8665).
8. D. C. APPROPRIATION BILL, 1955. Received the conference report on this bill, H. R. 9517 (H. Rept. 1945)(pp. 8612-14).
9. LABOR-HEW APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 9447 (p. 8614). Senate conferees have been appointed.
10. COPPER IMPORTS. Concurred in the Senate amendment to H. R. 7709, to continue duty-free copper imports for 1 more year (p. 8620). This bill will now be sent to the President.
11. VIRGIN ISLANDS. House conferees were appointed on S. 3378, to revise the Virgin Islands organic act, which includes a provision regarding importation of diseased animals (p. 8620). Senate conferees have been appointed.
12. TRANSPORTATION. Rep. Oakman claimed there are "discriminatory tolls on interstate truck transportation" (pp. 8622-5).
13. PRICE SUPPORTS. Rep. Thompson, La., spoke against reduction in price supports (p. 8662).

SENATE

14. LEGISLATIVE-JUDICIARY APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 9302 (pp. 8595-607). Senate conferees were appointed. Agreed to an amendment by Sen. Mundt to validate obligations under any regular annual appropriation act between June 30, 1954, and the date of its approval (p.8598). Rejected an amendment by Sen. Carlson to enable the Joint Committee on the Economic Report to continue the publication of monthly "Economic Indicators" (pp. 8600-2).
15. TAXATION. Began debate on H. R. 8300, the general tax revision bill. Adopted committee amendments en bloc so that the bill, as so amended, will be considered as the original text for the purpose of further amendment. (pp. 8536-89, 8602, 8607-9.)

Sen. Millikin discussed the soil conservation provision which allows farmers to deduct expenditures (as expense rather than capitalization) for soil and water conservation, including those for leveling, grading, terracing, drainage, contour furrowing, eradication of brush, planting of windbreaks, and other expenses for treatment or moving of earth. The Senate committee modified the House bill to make it clear that the provision applies to earthen dams not subject to depreciation and to the construction as well as the control and protection of watercourses, outlets, and ponds. The committee also made the provision applicable for expenditures by farmers to satisfy special assessments

to my own views that I feel I should clarify for the record so that my constituents will know where I stand and why I voted as I did.

In the first place, we are engaged in a collective security struggle throughout the world. Everything that has been done regarding our foreign policy supposedly has been done with the idea of a collective security program. But this new \$2 billion in new and carryover appropriations for the war in Indochina is not in keeping with that policy because this \$2 billion provides for a go-it-alone policy in Indochina. Make no mistake about it. It is not a United Nations action, we have no allies except a half ally in France. And here is the peculiar position in which we find ourselves. The present Premier of France has been elected by a very small margin on the promise to the French people that if he does not end the war in Indochina in 30 days he is going to resign. Yet in this bill we are appropriating \$2 billion to carry the war on in Indochina for 2 years at the cost it has been going on for the past year. In other words, we may find ourselves in the position where in less than 20 days, because already 10 days have expired, France may completely fold up and pull out. But here we have appropriated \$2 billion to continue a war in which nobody will be involved except the United States of America. So we are going it alone.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield to the gentleman from Minnesota.

Mr. JUDD. If the gentleman will look on page 13, he will find that that money is appropriated for southeast Asia and the western Pacific, which is a much bigger area than Indochina. The whole program is to save southeast Asia.

Mr. O'KONSKI. But the bulk of it is going to carry on the Indochina war.

Mr. JUDD. If Indochina went down, the necessity for saving the surrounding areas would be greater, not less.

Mr. O'KONSKI. I cannot conceive of carrying on a policy of war for a country which itself is not sold on war.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. O'KONSKI. I yield to the gentleman from Indiana.

Mr. HALLECK. May I assure the gentleman that no such undertaking as that will be a part of the policy of this Government.

Mr. O'KONSKI. I am glad to have the assurance of our majority leader because I know his words are quite weighty on the subject.

Mr. Chairman, we are making a great mistake. We are saying in reality that all we have to do is to arm this country and arm that country and have a strong Army and a strong Navy and the world is going to come out all right. In other words, it seems to me we are basing too much of our entire philosophy and thesis upon strength and strength alone. I discount that thesis entirely. I think one ounce of righteousness is worth 100 divisions in any war, and we find ourselves, particularly in the case of Indochina, where we are not on the side of right, and we will never win. With all the

billions of dollars that we have already poured into Indochina, in many cases and in many of the individual battles the armed strength on the so-called French side has outnumbered the other side by a ratio of 20 to 1, and they could not win because right was not on their side. Unfortunately, the people of Indochina have been sold on the idea that the Communists are on their side, that they will obtain their independence, and that the Americans are trying to foist French colonialism and exploitation upon them. We can pour \$100 billion into Indochina and send 6 million American boys into Indochina, which I am positive we will not do, but it will not solve anything, because we are on the wrong side of the fence, and as long as we are on the wrong side, it does not pay to continue to operate a war under those conditions.

Now, I have never been in Asia, but from 1931 to 1934 I taught about 100 Asiatic students on the west coast. They came from Malaya, they came from India, they came from Japan, from Indochina, and Indonesia, and I learned a lot from those people who we do not understand. The most important thing I know of in Asia is saving face. That country that loses face with the Asians loses face for all time, and I would much rather have a situation develop where, in my honest consciousness, instead of spending this vast amount of money, we would pass a resolution in this Congress something to this effect, that our hearts and sympathies are with the Indochinese people and we hope and pray for their independence and we will do everything possible to obtain their independence from French colonialism and the Communists, and if we pass that simple resolution and just leave this appropriation out, it would do more to save our face throughout Asia and throughout the world than anything you might possibly do. Because this is the description given me by these Asiatic students I taught years ago. They said the Asiatics might be compared to two dogs. One dog is very rich dog. He has a \$500 house in which he lives, made by his master; he has a beautiful silk pillow upon which he sleeps at night. But, this dog that has that \$500 house and that silk pillow to sleep on and the best of food is not happy because he is chained. On the other hand, you take a dog that is free to roam the woods. He is never clean, he never has a bath, he has no house to live in, nothing to sleep on, and he gets his food from the garbage can, but that dog is not chained and that dog is happy. And, these students told me at that time, when this thing was in the making, that that was the philosophy of these Asiatic people. They do not care what master serves them, they do not care what kind of house they have, they do not even care anything about the economic conditions, but they want their freedom; they want to be free.

Now, we are promising them all sorts of things. We are promising them ammunition, we are promising them guns and foods. They do not want that. What they want to be promised is their freedom and their independence. We

cannot save face in Asia by upholding French colonialism and slavery. Yet this appropriation does just that. We are inviting \$2 billion of ill-will in Asia by the passage of this bill. It's purpose is contrary to everything America should stand for. I cannot reconcile helping to fight for French colonialism and bigotry with what I know all Asians and Americans really want.

(Mr. O'KONSKI asked and was given permission to revise and extend his remarks.)

Mr. RICHARDS. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, if the rush to fill our immigration quotas was slowing down or if the people in Europe and Asia and South America and Africa and Australia showed no further inclination to come and settle in the United States, then I should think we were in bad shape indeed. The fact remains that people still want to come to the United States.

There is something about the United States that people from other lands have preferred. Perhaps it is opportunity, the opportunity to develop to the fullest, the talents with which the Creator has endowed us; to stifle a talent, to us, is a crime. As a nation of coaches, we delight in fielding great teams, every member of which is taught to stand on his own feet, to use his own head, even in the most synchronized of plays.

Until we make known to others that to stifle a talent and not to use it for the good of the individual and his fellow man is wicked and wasteful, then moneys used to promote this program will avail little. The bayonet must not stick out beyond the covenant. The things the bayonet must be on guard to protect, it seems to me, are what people stand for, the conditions they seek to overcome in their desire to build a better life for themselves and for others, a life in which pain and suffering, physical and mental, are reduced to the minimum known to man. Launched on that premise, this bill can help alleviate suffering and promote a sense of security sufficient to allow men and women on the five continents of this planet to work out better destinies for each other.

This, then, is our workshop, Mr. Chairman—5 continents, 2½ billion people, half of whom earn less than 9 percent of the world's total income. In biology, inbreeding waters the blood, produces degenerates. In economics, can the United States long trade with itself? What if the rest of the world could realize for itself the opportunities the United States holds out for its people? Energy vitalizes. This bill, properly administered, can vitalize others and, in turn, ourselves.

Much has been said of moneys Uncle Sam has poured out since World War II to promote and to lift the level of living of others in Europe and Asia. Little, if anything, has been said of the increase in the gross national product of the United States as a result of doing so.

During World War II, our dollar shrank to practical zero—we gave stuff

away, lend-leased it to win and to survive. Our product grew.

Some have said that if man could find the moral equivalent of war in peace, the millenium would arrive. This bill makes a step in that direction. It seeks to make all think of each other's benefit, as happens in war.

Strategically, tactically, economically, politically, and socially, this bill can spell out benefits for the United States and for every nation on the five continents interested in the fullest development of man under freedom.

I regret that some think England is closer to Russia and thus more vulnerable to atomic attack than is the United States. Do they overlook Alaska? In the Bering Sea, a very small distance separates a Russian classroom from an American classroom.

From 10 Downing Street, England appears safer than ever. It is the United States that is in greater danger of being mousetrapped. The British axle pierces the globe. Canada is above us. The British are in offshore Europe, and the Australians sit in the Pacific with the contending forces of the world in seeming stalemate above them. Canada has a right bower in the United States. The British have a buffer in western Europe, and Australia is safe so long as the contending forces keep swirling above it.

The Soviets? The danger they face is being mousetrapped into a local war in the Pacific with the United States. This would play the game of the neutralists whose desire is to see the two giants bleed and wear each other out farthest from Europe, Asia, and Africa.

Mainland China? Now that Japan is, for all practical purposes, surrounded on three sides, in the north, by the Soviets in the Sakhalins, and by the Chinese Reds in North Korea, and by the Reds on mainland China, only the southern flank of Japan opens to Formosa. To the Chinese Reds, Japan thus, is no threat.

Does the workshop spell out other factors, Mr. Speaker? Would stalemate be one? A system of checks and balances on the big board among the powers of the world?

One could power play, I suppose, all kinds of combinations and permutations in the quest of organized man for security in the modern world.

And before closing with an observation about British candor, I think one can approach a reasonable vote on this bill, Mr. Chairman, if the definition of international relations is sound, and if the bill seeks to answer a question raised by that definition.

Offered as a possible workable definition of international relations is the following: It is what you as a people have, and how you are going to get what you need to live as a people. If you can't get what you need to live by negotiation, then you must fight or perish.

The question is, does this bill seek to give nations more ability to attain by negotiation what they need to live? And if unable to obtain what they need to live in self-respect by negotiation will they then be ready to fight, lest they perish?

If the bill does this, then it is a good bill and should pass.

And now, Mr. Chairman, on behalf of the people of the 13th Congressional District of New Jersey, which it is my honor here to represent, I should like to pass along an observation to our friends, the brave and candid British: It deals with procedure to be taken when Uncle Sam and John Bull are not in focus with each other, as they obviously were not in World War II objectives in the Orient. The question is, how best to handle such a situation with the American people?

For example, during World War II, a brilliant series of documentary films was put out, called Why We Fight. They were shown to troops in the allied effort. It is my understanding that two scripts were presented by Americans on the China story. The British declined to approve either script. No film on China was made. One could conclude that while Uncle Sam fought for the people of China to be free of foreign oppression, the British were chiefly interested in the profit picture of the Commonwealth of Asia.

Is it for the people of the United States to understand more fully that, in foreign affairs, in peace or war, Americans will be continually disillusioned and hurt unless they realize that with the British, two questions must be answered in the affirmative: One, will it work, and second, is it profitable?

If the above is so, and if Americans had understood British politics more completely, and took commonwealth tactics more into consideration, then perhaps half or more of the blame American leveled against Americans for the loss of mainland China to the Reds might never have been leveled.

On the above basis would it be fair to ask the British whether, in matters of trade, the Soviets could eventually, if not now, become British brokers in the Orient, especially for Red China? In 1952, a United States Coast Guard check deposited in Hong Kong, cleared through a bank in Moscow.

I trust that this bill will do everything possible, Mr. Chairman, to keep Americans abreast of foreign affairs on each of the five continents, with as little pain and suffering to the people thereon as possible.

Mr. RICHARDS. Mr. Chairman, I yield back the balance of my time, with the exception of 15 minutes, to be used tomorrow.

Mr. VORYS. Mr. Chairman, the gentleman from South Carolina [Mr. RICHARDS] and I had an agreement with reference to the time that we would each reserve 15 minutes for use tomorrow by the Speaker and the minority leader.

Other than that, I have no further requests for time, and I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. Brown of Ohio, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the bill (H. R. 9678), to promote the

security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, had come to no resolution thereon.

LEAVE TO EXTEND REMARKS

Mr. VORYS. Mr. Speaker, I ask unanimous consent that I may revise and extend the remarks I made today and include extraneous matter, and I make the same request for my colleague the gentlewoman from Ohio [Mrs. FRANCES P. BOLTON] and for other Members who have spoken on the bill today.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

TRADE AGREEMENTS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 9474) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, with Senate amendments thereto, and consider the Senate amendments.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The Clerk will report the first Senate amendment.

The Clerk read as follows:

Senate amendment No. 1: After line 7, insert:

"SEC. 2. No action shall be taken pursuant to such section 350 to decrease the duty on any article the continued domestic production of which, in volume sufficient to meet projected national defense requirements, as determined by the President, would be threatened by such decrease in duty."

Mr. REED of New York. Mr. Speaker, I move that the House concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. REED of New York moves that the House concur in Senate amendment numbered 1 with an amendment as follows: In lieu of the matter proposed in the Senate amendment, insert the following:

"No action shall be taken pursuant to such section 350 to decrease the duty on any article if the President finds that such reduction would threaten domestic production needed for projected national defense requirements."

Mr. REED of New York. Mr. Speaker, the first Senate amendment would require the President to make a determination of whether a decrease in duty on any article would threaten continued domestic production in volume sufficient to meet projected national-defense requirements.

While there can be no question about the desirability of the objective of the Senate amendment, it needs clarification and improvement. For example, the Senate amendment would not necessarily prohibit a decrease in duty with respect to a given article even though the decrease threatened the particular industry concerned and even though that industry were vital to projected

defense requirements. In many cases, as we know, it is not the particular article which is important to defense but the industry which is dependent for its existence upon that article. The amendment which I have sent to the desk clarifies that situation and also insures that the President can exercise discretion in applying the provision.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure the gentleman will agree that the purpose of this modified form of the amendment here presented is to make certain that discretionary authority is vested in the President of the United States.

Mr. REED of New York. The gentleman is correct.

The SPEAKER. The question is on the motion.

The motion was agreed to.

The SPEAKER. The Clerk will report the second Senate amendment.

The Clerk read as follows:

Senate amendment No. 2: After line 7, insert:

"SEC. 3. The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade."

Mr. REED of New York. Mr. Speaker, I move that the House concur in Senate amendment No. 2.

Mr. Speaker, the second Senate amendment simply provides that enactment of this act shall not be construed to indicate approval or disapproval by the Congress of the General Agreement on Tariff and Trade, commonly referred to as GATT. A similar provision has been included in the last two extensions of the Reciprocal Trade Act and for this reason I believe there can be no objection to the Senate amendment.

The SPEAKER. The question is on the motion.

The motion was agreed to.

A motion to reconsider the vote by which action was taken on the motions was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8680) entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1955, and for other purposes."

The message also announced that the Senate agrees to House amendments to Senate amendments Nos. 6 and 58 to the foregoing bill.

The message also announced that the Senate had passed without amendment bills of the House of the following titles:

H. Con. Res. 243. Concurrent resolution authorizing the clerk of the House to make a correction in the enrollment of H. R. 8680.

THE COAL INDUSTRY

(Mrs. KEE (at the request of Mr. RAYBURN) was given permission to extend her remarks at this point in the RECORD.)

Mrs. KEE. Mr. Speaker, whatever beneficial results there may be from the talks now going on at the White House—this possible good could be completely nullified unless something is done to save the coal industry from utter destruction.

Again it is my duty—not only as the Representative of the second largest coal-producing congressional district in the United States—but also as a Representative well aware of the very serious international situation forced upon us today by unfriendly foreign powers—to call the attention of the Congress—and the administration—to an extremely critical situation.

Here the House of Representatives is asked—again today—to extend the Reciprocal Trade Agreement Act for another year. We still have been denied an opportunity to present the grave situation—and it is grave—now existing in the coal industry of our country. In addition, we are not even permitted the right to attempt to restrict the constantly increasing importation of cheap foreign residual oil.

It is—or should be—a well known fact that we are unable to expand our industrial production to any appreciable degree without a healthy coal industry. In the unhappy and unfortunate event our country should be forced into war by a foreign nation, how in the world could this country return to full industrial production—which would be so vital—with one of our major and indispensable industries in such grave condition as it is today.

During the last 18 months we have seen hundreds of coal mines shut down. The machinery has for the most part been removed from these mines. As for further coal production, these mines will be lost without extensive and expensive pumping as well as other restorative activities that would require months and possibly years. The necessary equipment of the railroads now idle—the same equipment that formerly carried our production of coal—is now badly deteriorated—a good portion of it already past possible further use.

The unemployment and resultant human misery is now at an all-time high in the coal areas of the United States.

If we are to be prudent in our efforts to safeguard the basic security of our country—our own self-preservation—then the Congress of the United States must—now—face up to its responsibility and pass legislation to protect in a fair and just manner our own basic coal industry from the unfair competition occasioned by the unchecked and constantly increasing importation of cheap foreign residual fuel oil.

In considering our full responsibility to the American people, Mr. Speaker, I respectfully bring to the attention of the membership of this Congress—and to the administration—that now is the time to act. Next year may be too late.

LEGISLATIVE PROGRAM

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order at any time this week to consider the concurrent resolution (H. Con. Res. 91) to express the sense of Congress on interference in the Western Hemisphere by the Soviet Communists, under the general rules of the House.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. RAYBURN. Mr. Speaker, reserving the right to object, and, of course, I shall not object because I am very much in favor of this resolution; however, I do want to take a moment to express my pride in the senior Senator from Texas [Mr. JOHNSON]. I congratulate him for his wisdom in taking this very necessary and important step in reaffirming the ancient policy of the United States of America with reference to the encroachment of any country in the Western Hemisphere. I think not only Texas should be proud of him, but the entire country should be proud of him.

I take a particular sense of pleasure in urging adoption of this resolution.

That feeling flows from the fact that this is a move to unite—rather than to divide—our people.

There is no partisanship in this resolution, other than the partisanship of defending American freedoms against Communist dictatorship. That is the sole issue embodied in this declaration.

This resolution is a modern restatement of a policy that has guided our people for 130 years. It is a notice to the world that the Monroe Doctrine can be—and will be—adopted to the changing conditions imposed upon us by aggressive Communist imperialism.

I have a great feeling of pride in the reaction of Congress to this resolution.

It was proposed by the Senate minority—and approved immediately by the majority.

It received the favorable and unanimous vote of the Senate Foreign Relations Committee. It was adopted by the Senate itself by an overwhelming vote. It has the approval of the State Department.

I hope—and expect—it will have the same overwhelming approval of this House. It will then truly become the voice of a united America.

Mr. Speaker, there is an urgent need for America to speak with a united voice in the world of today. There is an equally urgent need for public recognition of the new situation which we face.

First, we must recognize that Communist imperialism, precedes military conquest with infiltration, sabotage, and subversion.

Second, we must recognize that Communist efforts to penetrate the Western Hemisphere must be met by the united efforts of all nations of the Western Hemisphere.

This resolution recognizes those basic fundamentals. It provides the basis for a policy which can bring unity both within our Nation and within the Western Hemisphere—a unity which will keep all of us free.

I am convinced now—as I have always been—that freedom will survive providing we unite ourselves against the enemy. This resolution—as a legislative expression of foreign policy—is a long step toward that unity.

I urge its speedy and unanimous approval.

Mr. Speaker, I withdraw my reservation of objection.

Mr. HALLECK. Mr. Speaker, I appreciate what the gentleman from Texas has said. I might say in addition that the news from Guatemala this morning was certainly welcome to all of us. It is evidence of the fine handling, starting some months ago, at the Caracas Conference of a situation which certainly was foreboding to us. I am sure we are all happy at the developments there. I might also say it is our purpose to call up this resolution the first thing in the morning upon the meeting of the House.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOOR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourn today, it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was on objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent that the Committee on Merchant Marine and Fisheries be permitted to sit during general debate tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

THE JOB WE MUST DO FOR OUR PEOPLE

(Mr. THOMPSON of Louisiana asked and was given permission to extend his remarks at this point.)

Mr. THOMPSON of Louisiana. Mr. Speaker, to represent the people of my district, the Seventh Congressional District of Louisiana, is a distinct honor to me. To serve with the membership of this House of Congress is a privilege to which I have long looked forward. The opportunity to serve my people is my desire and my pleasure.

Having spent some 18 years in State government prior to my election to Congress, the problems and procedures of government were not entirely new to me when I took my seat in this House of Representatives. What I was to learn, however, was the greatness of our American system of representation in Government. I soon learned that in the presence of the great men in this House one could still sense the spirit of the people back home. The strength of our Nation depends entirely upon proper repre-

sentation by us of the ideals and hopes and character of those who placed that great trust in us.

When I speak of our work in Washington I cannot but do so with a swell of pride within me. Whatever part I have played in the developments and accomplishments of the 83d Congress have been a result of sincere effort and conscientious study of what is good for the people of my district and the people of America.

I wish to express my deep appreciation to the membership of this House for its generous assistance on the problems which have been mine, and especially do I want to thank the Louisiana delegation for the many times they have responded unselfishly with both time and effort in behalf of the people I represent. The theory of a system of laws and not of men certainly was made a reality by the tireless and enlightened actions of patriots such as those with whom I serve.

It is my hope, Mr. Speaker, that I may serve long in this House. My only ambition is to serve creditably and well. The words of Daniel Webster inscribed above the Speaker's desk have always been an inspiration to me. The words, "Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests, and see whether we also in our day and generation may not perform something worthy to be remembered," have such great meaning that one who follows them could not help but serve with inspiration.

The people of my district are a strong people. They bear their burdens of taxation and assume their full share of responsibility for our Nation's welfare. They in turn expect our National Government to assume responsibilities which rightfully are encompassed in its designated scope.

In my service to them, I state for the record, Mr. Speaker, that if we are to survive as a Nation of freemen, we must not fail to observe the responsibilities and rights of the sovereign States. We must allow the National Government to be representative of the collective will of those States and not reverse this original concept.

In these trying times, it is perhaps easy to revert to a practice of spending ourselves out of our world problems. My people, Mr. Speaker, are a wise people. In representing them and my own conscience and judgment, I must reiterate that we must not spend ourselves into bankruptcy in attempting to save other nations from the same fate. I never knew a doctor to cure a patient by getting into bed with him.

We must exercise certain economies, but let us effect these savings first in the direction of doles to foreign countries. I believe that nations, like people, can best be helped in a manner that will not rob them of their self-respect and sense of responsibility. We must, if we are to remain strong, look to the solving of the many of our own problems which have been, perhaps, unnecessarily postponed because of international responsibilities.

The value of the inland ports of Louisiana has been proved in both national security and economy. The inland waterways in Louisiana played a large

part in the safe transportation of supplies during the Second World War. We have thus far done a marvelous job in the development of these facilities and in many instances, the people of my district have borne the costs. We must turn to these problems, Mr. Speaker, as the development of waterways there means the development of strength nationally.

This is also true in matters of flood control. A plea for our people in the matter of more assistance for flood control to alleviate a danger not caused solely by local conditions is not a selfish plea. The waters that flow down through Louisiana to the sea are poured upon us by some 30 rivers extending from Canada to the Gulf of Mexico. The problem is a national one and it is my hope that my pleas will not go unheeded.

The farmers of the Seventh District of Louisiana, Mr. Speaker, are among the most enlightened farmers in the world. They responded to our call for previously unheard of production during times of national emergency and, while we are now faced with a problem of farm surpluses, this is not a problem existing solely as the farmers' responsibility.

When war plants were asked to produce more and more machines of war, the Federal Government assumed, and properly so, responsibility for unneeded production at the war's end. Why not treat the farmers in similar fashion? I shall continue, Mr. Speaker, to interest myself in this problem. With proper planning, our farmers can prosper, but most important, the small farmers must be protected.

According to qualified reports and forecasts, we in the United States will be pressed to furnish sufficient quantities of food and fiber for our own use. Farm surpluses, therefore, are a temporary problem and should be considered as such.

The cutting of price supports in the absence of a better farm program—and I have seen none suggested—will result in thousands of our small farmers being forced off the farms. Where will they go? If the farm economy fails, other segments of our economy will surely follow. The results of this in unemployment of not only industrial workers, but also those who, after having left the farms, will necessarily go to the cities to seek a means of livelihood. The National Government will surely then have a problem of great proportions—much greater than the cost of the present farm program.

Rather than curtail our farm production, Mr. Speaker, the Government, I believe, should stress farm research and training in order that the ability to produce in sufficient quantities for the future is preserved.

Our departments of the National Government should also strive toward development of more and better markets for our products. Too many times in the past our own markets have been overlooked and our governmental departments have actually participated in arranging sales and deliveries to other governments from foreign competitors in the face of a stated desire for our products.

"operation reindeer" under which, he claimed, Christmas food packages were distributed in foreign countries (pp. 8729-30).

4. PERSONNEL. The Ways and Means Committee reported without amendment H. R. 9709, to extend and improve the unemployment compensation program, including its extension to Federal employees (H. Rept. 2001)(p. 8747).
5. LAW REVISION. The Judiciary Committee reported without amendment bills to revise, codify, and enact into positive law parts of the U. S. Code, as follows: H. R. 9723, title 21, "Food, Drugs, and Cosmetics" (including various provisions enforced by this Department regarding animals and poultry)(H. Rept. 1979); H. R. 9730, correction of obsolete references (H. Rept. 1981); and H. R. 9729, "Census" (H. Rept. 1980)(p. 8747).
6. DAIRY INDUSTRY. Rep. Johnson, Wis., commended the dairy products of Wis. (pp. 8670-1).
7. APPROPRIATIONS. Both Houses agreed to the conference report on H. R. 9517, the D. C. appropriation bill for 1955, and acted on amendments which had been reported in disagreement (pp. 8670, 8757). This bill will now be sent to the President.
Received the conference report on H. R. 9203, the legislative-judiciary appropriation bill for 1955 (p. 8742). House conferees had been appointed earlier in the day (pp. 8669-70).
Received the conference report on H. R. 9447, the Labor-HEW appropriation bill (pp. 8742-4). The conferees agreed to \$50,000 (instead of \$100,000 as provided by the Senate amendment), under Bureau of Labor Standards, for improving conditions of migratory labor. The statement of House conferees includes the following: "The managers on the part of the House and Senate are disturbed by the lack of central coordination of the increasing activities in this field by many executive agencies. The managers believe that the expenditures of the same amount of Federal funds would result in a more effective program if these activities were more closely coordinated, and strongly urge that the 1956 budget for the executive branch be prepared with a view to correcting this deficiency," (pp. 8742-4).
Received the conference report on H. R. 8067, the State, Justice, Commerce appropriation bill for 1955. The conferees struck out the provisions for additional supergrades in the State and Commerce Departments and agreed to the Senate provision limiting the Commerce Department's funds for management studies. The provision for a census of agriculture was reported in disagreement. Also reported in disagreement was the provision to create an additional position as Assistant Secretary of Commerce in lieu of the present position as Administrative Assistant Secretary of Commerce. (pp. 8744-6.)

SENATE

8. TRADE AGREEMENTS. Concurred in the House amendment to a Senate amendment to H. R. 9474, to extend until June 12, 1955, the authority of the President to enter into reciprocal trade agreements (pp. 8764-5). This bill will now be sent to the President.
9. TAXATION. Continued debate on H. R. 8300, the general tax revision bill (pp. 8761, 8774-96). Sens. Douglas and Long discussed the decrease in farm income (pp. 8780, 8783).
10. PRICE SUPPORTS. Sen. Aiken criticized the charge that the President promised 90% price supports during the 1952 campaign, and claimed that the President's speech at Kasson, Minn., was "doctored by deleting words and sentences until

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House received conference report on surplus commodities bill. House Rules Committee cleared farm program bill for debate today. House debated foreign aid bill and agreed to amendment requiring use of \$ $\frac{1}{2}$ billion for disposal of surplus commodities. House committees reported bills to extend unemployment compensation to Federal employees and to codify food-drug laws. House received conference reports on Labor-HEW and State, Justice, Commerce appropriation bills. Senate concurred in House amendment to trade agreements bill. Senate debated tax revision bill, and Sens. Douglas and Long discussed decrease in farm income. Rep. Budge introduced bill to require potato labeling and inspection. Rep. Herlong inserted Benson-Nixon radio discussion of farm program. President approved agricultural appropriation bill and bills to authorize 3/8 bushel basket and to continue housing program 1 mo. Sen. Aiken criticized charge that President promised 90% price supports.

HOUSE

1. SURPLUS COMMODITIES. Received the conference report on S. 2475, to authorize the President to use agricultural commodities to improve the foreign relations of the U. S. The conferees reduced from \$1,000,000,000 (House figure) to \$700,000,000 the amount under Title 1. The revised bill, as reported from conference, is printed in the Record (pp. 8673-5).
2. FARM PROGRAM. The Rules Committee reported a resolution providing for consideration of the farm program bill, H. R. 9680. The rule provides for 4 hours of general debate (before the bill is read for amendment under the 5-minute rule) and waives points of order. It is expected that debate on the bill will begin today following votes on the foreign aid bill and several conference reports on appropriation bills (pp. 8734, 8740, D755).
3. FOREIGN AID. Continued debate on H. R. 9678, to authorize a foreign aid program for the fiscal year 1955 (pp. 8676-740). Agreed to an amendment by Rep. Judd to require at least \$500 million of foreign aid funds to be used to finance the purchase and export of surplus agricultural commodities or products thereof and to require that foreign currency proceeds therefrom be used pursuant to the surplus commodities bill, S. 2475 (pp. 8733-4). Rep. Cobley criticized

thousands of farmers who are supposed to become agitated by it?

In several States of the Northwest, Mr. President, the Farmers Union Grain Terminal Association, a close ally of the National Farmers Union, has distributed propaganda intended to make the farmers believe that the adoption of President Eisenhower's farm program would reduce their income between 40 and 50 percent next year.

Such propaganda, Mr. President, is intended to divert the blame from those who are really responsible for the reduced income of the wheat farmer.

The wheat farmer of the Northwest is in trouble and will probably have to take a reduction in income perhaps for 2 or 3 years more.

The responsibility for this reduction, however, can be placed squarely at the door of those who now seek to blame the President and Secretary Benson for the fruits of their own folly.

They are the ones that insisted upon high rigid supports and the use of an obsolete parity formula.

They are the ones that insisted upon control measures which now prevent many farmers from planting enough to make a living.

The President seeks to take the wheat farmer out of this predicament at the earliest possible moment.

With the adoption of his program by Congress, the grain farmer can look forward to a fairly early ending of stringent controls.

The 30 percent or more reduction in planting which the wheat farmer must sustain this year—and probably next year—is a direct result of the high rigid supports and use of the old parity formula which the National Farmers Union and its collaborators succeeded in retaining on the statutes.

Millions of acres of wheat are now being grown in noncommercial areas of the United States which never would have been grown had it not been for the incentive of high rigid Government guaranties.

Had it not been for this guaranty, the wheat farmer of Kansas, Montana, and other States would undoubtedly be planting a normal acreage this year and receiving a much higher income than he is likely to receive under the program now in effect, a program which the Eisenhower administration had nothing to do with, and which it is trying to discard in favor of a workable plan.

Mr. President, there seems to be no limit to the extent which the organization leaders dedicated to the harassment of President Eisenhower and Secretary Benson will go.

At the annual meeting of the Farmers Union Grain Terminal Association held at the St. Paul auditorium last December, the large number of delegates gathered there heard a recording of the voice of President Eisenhower himself promise them what they might, in all fairness, interpret as full parity price for their grain.

It is no wonder, Mr. President, that many farmers hearing the President promise them 100 percent of parity price

in his own voice were likely subject for agitators to prey upon.

I am told that the same recording used at the annual meeting of the Grain Terminal Association in St. Paul was also used over other radio stations controlled by this organization.

In the December 20 issue of the St. Paul Pioneer Press, Mr. Alfred D. Stedman, one of the Northwest's most conscientious agricultural writers, exposed the trick by which President Eisenhower, in his own voice, seemingly contradicted himself.

Mr. Stedman pointed out how a recording of Mr. Eisenhower's Kasson speech had been doctored by deleting words and sentences until an erroneous picture of his position was portrayed in his own voice.

This column shows exactly what words and sentences were omitted from the President's speech at Kasson, Minn., in order to cause him to appear to be making a contradictory statement at the St. Paul meeting.

I ask unanimous consent to have Mr. Stedman's column printed in the RECORD in full at this point.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE VOICE OF IKE

(By Alfred D. Stedman)

This administration, said President Eisenhower in his Wednesday press conference, is one that believes in keeping its promises, and is going to try to do it in every way it can.

But the President would have heard himself challenged on that very point with a recording of his own voice as a witness, if he could have sat in the great farm audience in the St. Paul Auditorium on that day. The quotation from him was the widely publicized "golden promise," as it now is called, referring to full parity of farm income, taken from his famous farm campaign speech at Kasson, Minn., on September 6, 1952.

All the first part of that promise to back a 2-year extension of legal price supports was quoted correctly. But then the voice ran right on as if still talking about legal price supports. Omission of two paragraphs and parts of a third obscured a change by Mr. Eisenhower to the new subject of long-run help for farmers in getting parity from their own earnings instead of from the Government.

Below is the version of Mr. Eisenhower's statement as presented in printed form to the Farmers Union GTA audience in the auditorium and as recorded in a continuous transcription of his voice. Following are the statements as he made them at Kasson, with the omitted parts printed in brackets:

"And here and now, without any 'ifs' or 'buts,' I say to you that I stand behind—and the Republican Party stands behind—the price-support laws now on the books. This includes the amendment of the basic farm act, passed by votes of both parties in Congress, to continue through 1954 the price supports on the basic commodities at 90 percent of parity."

"These price supports are only fair to the farmer to underwrite the exceptional risk he is now taking. They are a legal and moral commitment which must be upheld. * * * I firmly believe that agriculture is entitled to a fair, full share of the national income—and a fair share is not merely 90 percent of parity but full parity."

Following is the President's statement with the omissions shown in brackets:

"And here and now, without any 'ifs' or 'buts,' I say to you that I stand behind—and the Republican Party stands behind—the price-support laws now on the books. This includes the amendment of the basic farm act, passed by votes of both parties in Congress, to continue through 1954 the price supports on the basic commodities at 90 percent of parity."

"These price supports are only fair to the farmer to underwrite the exceptional risk he is now taking. They are a legal and moral commitment which must be upheld."

"[We now have at least 2 years in which to plan ahead. We must use this valuable time to figure out sound means and methods of maintaining and expanding both security and opportunities in agriculture. We must mobilize all of the brains in agriculture—farmers, your farm organization leaders, your farm-wise legislators, your agricultural specialists and research workers—to join with us to build and improve our long range farm policies and programs.]

"[Our goal will be sound, farmer-run programs that safeguard agriculture—but do not regiment you, do not put the Federal Government in charge of your farms. We must by using good old-fashioned horse sense, figure out sound methods of maintaining agriculture's freedom to shift patterns of production without losing the basic protections to which agriculture is entitled.]

"I firmly believe that agriculture is entitled to a fair, full share of the national income [and it must be a policy of Government to help agriculture achieve this goal in ways that minimize Government control and protect farmers' independence. All I know of farmers convinces me that they would rather earn their fair share than have it as a Government handout.]

"And a fair share is not merely 90 percent of parity—but full parity."

How about having parity for presidents? The fine old principle of equality could be extended to them. Parity could mean a fair share in the American right to be judged according to actual deeds and words.

Goodness knows that, with decisions and speeches coming thick and fast, presidents have abundant chance to do and say things which will be widely debated among Americans who are, and ever will be, free to criticize. But should not parity for presidents mean basing criticisms on what they really say, without alteration by omission or otherwise? Not merely 90 percent either, but full parity for presidents.

Mr. AIKEN. The Northwest farmer owes Mr. Stedman a debt of gratitude for his exposure of such a masterpiece of trickery which might otherwise have succeeded to a greater degree.

The general manager of the Grain Terminal Association advised me this spring that the recording had been borrowed from the Columbia Broadcasting System and had been broadcast over station WCCO, of Minneapolis, by Commentator Cedric Adams, a popular newscaster, and a strong Eisenhower supporter.

As it seemed incredible to me that a reputable radio station like WCCO would deliberately doctor a recording of the President's, I looked into the matter further.

Under date of June 8, 1954, I received a letter from WCCO which, in my opinion, clears that station of any complicity in the matter and fixes full responsibility both to the farmers of the Northwest and to the law squarely on the Grain Terminal Association.

I will read an excerpt from this letter:

This station received a request from the advertising agency in St. Paul, which handles the Grain Terminal Association account, for a dubbing from the recording in our files of the speech given by presidential candidate, Dwight Eisenhower, at Kasson, Minn., in 1952. Mr. Luther Weaver, head of the agency, telephoned Mr. Robert McKinsey, our program director, read the cues for the opening and closing of this particular quotation to Mr. McKinsey, and it was an excerpt (about 1 minute in length) which we dubbed and sent to them.

Mr. Weaver gave no indication as to what use would be made of this record, and it was sometime later that we learned that it was being broadcast on other stations in connection with the GTA program.

WCCO broadcast the Eisenhower speech in its entirety at the time it was delivered at Kasson, then broadcast portions of it along with portions of a speech delivered the same day at Kasson by Governor Adlai Stevenson. This composite program was carried later that night, but the portions in which the candidates referred to their support price proposals were not edited in any way.

In other words, it was shown clearly that the transcription used by the Grain Terminal Association was doctored, and was not the one which Cedric Adams had used in his broadcast over station WCCO, as I have been advised.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Is not the Grain Terminal Association a subdivision of the Farmers Union?

Mr. AIKEN. I do not know exactly what the connection is, except to say that they work extremely closely together. The Grain Terminal Association, I believe, is an association of the cooperative elevators, under one management. Theoretically, I suppose, the Grain Terminal Association is a farmers' business organization, whereas the National Farmers Union appears to be something of another nature.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Has not the Farmers Union been represented by former Secretary of Agriculture Brannan, acting as a lobbyist?

Mr. AIKEN. I do not know what his capacity is. I understand that he and several of his stalwart supporters and associates in the Department of Agriculture are today employed by the National Farmers Union.

Mr. President, I do not like to do what I have to do today, but we cannot let the type of propaganda which has flooded the North Central States go unchallenged.

More than the price of wheat is involved.

During recent months I have received several hundred communications from farmers in these States asking for supports at 100 percent of parity for their crops.

The farmers are good people. They work hard for a living. They are devoted to their country. They are alarmed and disturbed today. They are being told that President Eisenhower has deceived them; that Secretary Benson is

against them and intends to take away their income.

They have not been told the truth.

Our job, Mr. President, is to get the truth to them.

As Democrats and Republicans, we must work to do this, for it is not now a party matter.

We must and will work out a farm program which will enable the farmers to recover from the damage already done.

We must not let the farmers of America become pawns of Government.

Agriculture must be made free and independent and prosperous at the same time.

To achieve this is our purpose.

EXTENSION OF TRADE AGREEMENTS ACT

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 9474, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U. S.,

June 28, 1954.

Resolved, That the House concur in the amendment of the Senate numbered 1, to the bill (H. R. 9474) entitled "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended," with an amendment, as follows: In lieu of the matter proposed by said amendment insert: "SEC. 2. No action shall be taken pursuant to such section 350 to decrease the duty on any article if the President finds that such reduction would threaten domestic production needed for projected national defense requirements."

That the House concur in the amendment of the Senate No. 2, to said bill.

Mr. MILLIKIN. Mr. President, the amendment which was just read was the outcome of an amendment offered by the Senator from Missouri [Mr. SYMINGTON] and which was sent by the Senate to the House. The House of Representatives has considered the bill, has slightly modified the terms in which it came to it, and has agreed to the bill in the modified form.

The matter has been discussed with the minority leader and with the Senator from Georgia [Mr. GEORGE]. The Senator from Missouri [Mr. SYMINGTON] the author of the original amendment, has stated that the form in which it now is worded is perfectly agreeable to him. Therefore, I move that the Senate concur in the amendment of the House to the amendment of the Senate.

Mr. DANIEL. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield to the Senator from Texas.

Mr. DANIEL. Is it correct that the present wording simply represents a re-writing of the Symington amendment which was adopted by the Senate?

Mr. MILLIKIN. I think it does.

Mr. DANIEL. The Senator is correct in stating that the Senator from Missouri and the minority leader have approved of the version substituted by the House.

Mr. MILLIKIN. The Senator from Missouri told me just a few moments ago

that he approved it. I understand it has been submitted to the Senator from Georgia and that he is agreeable to it. So I do not believe there is any objection.

Mr. FULBRIGHT. Mr. President, will the Senator explain in what respect the bill was modified, and the effect of the modification?

Mr. MILLIKIN. I think the Symington amendment was a little more rigid than was desired by the executive department, and a modification in the language was proposed. It was accepted by the House Ways and Means Committee and by the House, and was submitted to the Senator from Missouri [Mr. SYMINGTON], the author of the original amendment. It is now agreeable to him.

Mr. FULBRIGHT. Is it the Senator's view that the provision will permit greater freedom of trade, or will it give power to restrict freedom of trade?

Mr. MILLIKIN. I do not know how it will operate, but it will not restrict trade any more than it was restricted in the amendment which the Senate adopted.

Mr. FULBRIGHT. It is an amendment which gives power to restrict imports into this country, is it not?

Mr. MILLIKIN. It does that, but the Senator is asking me whether the effect will be to restrict or not restrict trade. I think that would depend on how the provision is applied. I would say the amendment now before the Senate is somewhat more liberal in its provisions than it originally was.

Mr. FULBRIGHT. Knowing the view of the Senator from Colorado about international trade, and observing the alacrity with which he accepted the amendment, I assumed that the amendment gave authority to restrict imports into the country.

Mr. MILLIKIN. The Senator is drawing some unwarranted implications, which I do not care to pursue at the moment.

Mr. FULBRIGHT. I would have been happy to have the Senator from Colorado assure the Senate that was not the effect of the amendment. I was hoping he would do so for the Record. If the Senator does not choose to do so—

Mr. MILLIKIN. I am resting my judgment on the statement that the amendment carries the substance of the Symington amendment, that it was approved by the House Ways and Means Committee and the House of Representatives, that it has been approved by the leadership on the other side of the aisle, and I myself approve it. There was no alacrity about my action in approving it. I had known about it for more than 5 or 10 minutes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Colorado to concur in the amendment of the House to the amendment of the Senate.

Mr. FULBRIGHT. Mr. President, for the record, while I realize that I cannot stop the Senate's agreeing to the motion, I state that I do not favor it, as I did not favor the bill which was passed. While I cannot assure the Senator from Colorado of the effect of the amendment, I think it is a very vague amendment which will permit the placing of

obstructions on imports into this country if it is desired to use its provisions in that fashion. Although no one seems to be able to tell us what the effect of the language will now be, in its original form, as I recall, the amendment certainly contained no standards which would enhance the flow of trade, nor was it designed to create a greater flow of trade into this country. So I oppose the amendment of the House to the Senate amendment.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. MILLIKIN. I yield to the Senator from Missouri.

Mr. SYMINGTON. The distinguished Senator from Colorado is entirely correct. I know it will warm the heart of the Senator from Arkansas to know that the new language promotes the possibility of foreign trade, because it eliminates the question of volume. Having sponsored the amendment, I should like to say to the Senator from Arkansas that when it comes to national defense, we cannot eat our cake and have it, too. Either we should give the President enough authority so that price is not the final and only authority as to imports, or we should not give him that authority. This amendment gives him that authority.

Mr. FULBRIGHT. If the Senator will yield, all I am saying is that the provision does not set any definite standards under the broad concept of anything which affects national security. Therefore, the President would have the power to exclude imports. It could mean that in the hands of one who was inclined to be highly protectionist practically all imports into this country could be stopped. If that is what is intended to be done, that is one thing. I do not favor any further obstructions to imports into this country, because I think that is one of the principal obstacles to our friendly relations with the free people of the world today, and the reason why they are losing confidence in our leadership is that we do not want to agree to trade with them.

Mr. JOHNSON of Colorado. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JOHNSON of Colorado. This is permissive legislation. The President is given wide discretionary power. If the President does not exercise the discretion wisely in such a small matter as that covered by the amendment, when he has such power in time of war, then we are in bad shape.

Mr. FULBRIGHT. Are the provisions of the bill effective only in time of war? They are effective now, are they not?

Mr. JOHNSON of Colorado. They are effective when applied to national defense.

Mr. FULBRIGHT. At any time?

Mr. JOHNSON of Colorado. At any time the President wishes to exercise the power.

Mr. FULBRIGHT. I should like to ask the Senator if recently the Tariff Commission has not recommended higher tariffs on several items.

Mr. JOHNSON of Colorado. Yes, the Tariff Commission makes recom-

mendations to the President, and the President decides whether or not they shall be made effective. The President would decide whether the provisions embodied in the amendment should be made effective. It would be entirely discretionary with the President. If the President is not to be trusted, this kind of legislation is bad. If the President is to be trusted, no harm can come from such a provision, and I think the President has to be trusted from a national-defense standpoint.

Mr. FULBRIGHT. I am not willing to say that I shall trust with unlimited power all President elected in the future. I think Congress ought to retain power in this field. I do not say I do not trust the present President. As a matter of fact, President Eisenhower is considerably more liberal in the field of international trade, I may say, than is the Senate.

But I was not thinking of it at this particular moment. However, I think it is a very broad grant of power.

The PRESIDING OFFICER (Mr. POTTER in the chair). The question is on agreeing to the motion of the Senator from Colorado that the Senate concur in the amendment of the House of Representatives to the amendment of the Senate No. 1.

The motion was agreed to.

INSPECTION AND APPRAISAL PROCEDURE IN CONNECTION WITH VETERANS' HOUSING PROGRAM

Mr. WILLIAMS. Mr. President, on May 27, 1954, as appears at pages 6855 to 6859 of the CONGRESSIONAL RECORD of that date, I made a statement in regard to the excessive fees that had been paid under the Veterans' Administration to certain fee appraisers and fee compliance inspectors. In the course of that statement, I pointed out specific cases in which the ceiling of \$1,000 a month had been exceeded on numerous occasions during the past 3 or 4 years.

Immediately after making that statement, there appeared in the Detroit Free Press of May 30, 1954, an article entitled "Appraisers for VA Defended—Attack by Senator Called Inaccurate." The article reads as follows:

[From the Detroit Free Press, May 30, 1954]
APPRAISERS FOR VA DEFENDED—ATTACK BY SENATOR CALLED INACCURATE

Washington officials said Saturday that there are inaccuracies in the attack made by Senator WILLIAMS, Republican, of Delaware, on 18 Michigan home appraisers assigned by the Veterans' Administration.

WILLIAMS had said the appraisers received excessive fees in glaring disregard of the law for evaluating homes sold under the GI bill.

The Washington spokesman said WILLIAMS apparently did not realize that the \$1,000-a-month limit appraisers may receive for \$5-a-house inspections did not become effective until September 17, 1951.

Two appraisers accused by WILLIAMS were Henry C. Rohde, of 2270 Allard, Grosse Point and Edwin T. Salkowski, of 11815 Rosemary. Rohde was charged with receiving \$19,535 in 6 months in 1950, and Salkowski \$19,210 for 7 months in the same year.

Although WILLIAMS also said it would be impossible for anyone to handle enough ap-

praisals to earn the amounts charged to Rohde and Salkowski, it was not clear immediately if an appraiser could employ a staff and divide the work.

The Washington sources also said WILLIAMS prepared his attack on the basis of a table supplied by the VA. The table showed only the number of assignments made by the VA to each appraiser.

"The VA has no way of knowing how much the appraiser was paid," the spokesman said, "since only the builder, the buyer, and the appraiser are involved. However, the limit for each job is \$5."

Charges against 6 of the 18 appraisers named by WILLIAMS were based on the appraisals done in 1950, before the limitation was imposed.

The only penalty for exceeding the limitation is censure.

After reading the article I was very much concerned. I recognized that if there were inaccuracies in the statement I had the responsibility of correcting the RECORD in respect to any of the individuals involved.

I immediately called Mr. Higley, Administrator of the Veterans' Administration, and advised him of the newspaper article. I received from Mr. Higley an emphatic denial that either he or anyone else in the Veterans' Administration had issued any such statement as the one referred to in the article in the Detroit Free Press. However, later I was advised that Mr. Higley had been inaccurately informed on that point, and that a Mr. Thomas B. King, of the Veterans' Administration, in Washington, D. C., had issued the statement on which the article was based.

I then discussed the matter with Mr. King; and I asked him to review my statement in the CONGRESSIONAL RECORD and to point out any inaccuracies in it—with the promise that I would incorporate in the RECORD, immediately on receipt of a letter from him, his statement pointing out how I had erred.

Mr. President, it has been exactly 1 month since that time during which I have been waiting. I have had numerous conversations with officials of this agency, and each time they said they had not found any inaccuracies and that they were preparing a letter to that effect.

Today, I received the letter dated June 28, 1954. The letter says nothing. It neither points out any inaccuracies in my statement, nor does it say that my statement was correct. In fact, the letter comes closer to saying absolutely nothing than any letter I have ever received. The whole letter will be incorporated, but first, I shall read one paragraph:

Naturally, at this date Mr. King cannot recall every particular of the resultant conversation. However, Mr. King positively remembers that he advised the reporter that based on his (King's) experience, Senator JOHN WILLIAMS was a very fair-minded individual, and that in his (King's) opinion that if there were any inaccuracies in Senator WILLIAMS' statements, it must be due to misunderstanding somewhere along the line.

Mr. President, let me say that I was not asking for his opinion of me. Frankly, to judge from the letter, Mr. King's opinion of me is slightly higher than my opinion of Mr. King. I had asked Mr. King to point out any inac-

curacies in my statement, and after a 1-month review, it seems strange to find that he has finally reached the conclusion that if there were any inaccuracies in my statement, they must be due to misunderstanding somewhere along the line.

To keep the record straight I shall review this case from the beginning and ask unanimous consent to have all the correspondence printed in the RECORD. I desire to show that the statements I made on May 27, 1954, were based on information I obtained right here in Washington, largely from the division headed by Mr. King.

The first correspondence was with Col. Thomas H. Stilwell, manager of the Wilmington regional office of the Veterans' Administration, at Wilmington, Del.

First, Mr. President, I ask unanimous consent to have incorporated in the RECORD the letter dated June 28, 1954, signed by Mr. Ralph H. Stone, Deputy Administrator.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

VETERANS' ADMINISTRATION,
Washington, D. C., June 28, 1954.

Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: Following our discussion of June 22, 1954, in your office, I made it a point to check into information given to the press by VA representatives in response to inquiries received as a result of your floor discussion concerning the earnings of VA fee personnel.

First of all, my check disclosed that the VA issued no official statement, nor otherwise made any voluntary or gratuitous release of information on this subject. VA comment was limited strictly to answering specific inquiries from reporters.

Most of the press inquiries were limited to requesting figures for other States similar to the State statistics given in your statement on the floor. These reporters were truthfully informed that the only State figures available at that time were those which you had specifically asked us to compile.

To the best of my knowledge, the only news story that carried any VA comment concerning your statement was one that appeared in the Detroit Free Press, a clipping of which is in your possession.

It is believed that this particular story resulted from a telephonic contact made with Mr. T. B. King, Assistant Deputy Administrator for Loan Guaranty, by the Washington correspondent for the Free Press. The correspondent first contacted Mr. Frank Hood, Associate Director of VA's Information Service, at Mr. Hood's home on a weekend. He was referred to Mr. King by Mr. Hood after he had asked to talk to someone familiar with correspondence between the VA and your office.

Naturally, at this date Mr. King cannot recall every particular of the resultant conversation. However, Mr. King positively remembers that he advised the reporter that based on his (King's) experience, Senator JOHN WILLIAMS was a very fair-minded individual, and that in his (King's) opinion that if there were any inaccuracies in Senator WILLIAMS' statements, it must be due to misunderstanding somewhere along the line.

Mr. King advises me further that, in reply to the reporter's questions he stated that the VA had violated no law with which he, King, was acquainted in making assignments to fee personnel, and that the only source from which actual earnings of any individual on

the list might be ascertained would be from the individual himself, because VA records showed only assignments.

I am satisfied from my inquiry into this matter that every effort was made on the part of this agency to avoid creating the impression that any controversy existed on this subject, and I am convinced that the officials concerned leaned over backwards while making factual replies to questions from the press.

Please permit me to assure you that everyone in the Veterans' Administration who has had the privilege of working with you holds you in the highest esteem. To us, your personal honesty and integrity precludes any possible belief that you would knowingly misrepresent any fact or make any statement that might be construed as misleading. All of us regret any inadequacies that there may have been in our various responses to your inquiries which may have been misleading to you.

The Veterans' Administration constantly strives for improvements in all its programs, including Loan Guaranty, and your interest in this same objective is both most welcome and highly beneficial to the Veterans' Administration.

Sincerely,

RALPH H. STONE,
Deputy Administrator.

Mr. WILLIAMS. All my inquiries have been as to the amounts of money earned; and the correspondence I am now incorporating in the RECORD will so show. In fact, in my first letter—of November 16, 1953—to Colonel Stilwell, at Wilmington, Del., I asked for—

The names of all inspectors or appraisers employed by your agency during the past 5 years.

The amounts paid to each, broken down by months and days during the past 2 years.

I now ask unanimous consent to have my letter of November 16, 1953, printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

NOVEMBER 16, 1953.

Col. THOMAS H. STILWELL,
Manager, Wilmington Regional Office,
Veterans' Administration,
Wilmington, Del.

DEAR COLONEL STILWELL: With further reference to our conversation of last Monday, will you please furnish me with the following information:

1. The names of all inspectors or appraisers employed by your agency during the past 5 years.

2. The amounts paid to each, broken down by months and days during the past 2 years.

3. In instances where inspectors and appraisers have been separated from the service give the date of separation, and the reasons.

Yours sincerely,

JOHN J. WILLIAMS.

Mr. President, to my letter of November 16, 1953, I received the following reply from Colonel Stilwell:

VETERANS' ADMINISTRATION,
Wilmington, Del., November 24, 1953.
Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: In compliance with the request contained in your letter of November 16, 1953, below and attached find the necessary information.

The names of fee compliance inspectors and/or fee appraisers employed by the Loan Guaranty Division of this regional office during the past 5 years are:

The earnings of these individuals both as fee compliance inspectors and fee appraisers are listed on charts attached hereto.

Very truly yours,

THOS. H. STILWELL,
Manager.

Mr. President, all the statements in the letter refer to earnings not to assignments.

I then directed a letter to Mr. Higley, in Washington, and I now ask unanimous consent to have that letter, which is dated December 2, 1953, printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 2, 1953.

Mr. HARVEY V. HIGLEY,
Administrator, Veterans Administration,
Washington, D. C.

DEAR MR. HIGLEY: Will you please advise me the following:

1. Are there any restrictions as to the amount of money or fees which can be earned by fee compliance inspectors or fee appraisers employed by the Loan Guaranty Division of a regional office of the Veterans Administration?

(a) If there is a ceiling on the amount of earnings and it is different in the various States, then please furnish complete information for each of the 48 States.

(b) If there are ceilings, what is the penalty for their violation?

2. Are there any restrictions prohibiting the same individual from serving as an appraiser and as an inspector during the same period?

(a) If so, do his combined earnings apply toward the maximum established ceilings or can he earn the maximum under each of the two jobs?

Yours sincerely,

JOHN J. WILLIAMS.

Mr. WILLIAMS. Again I am asking the question:

Are there any restrictions as to the amount of money or fees which can be earned by fee compliance inspectors, or fee appraisers employed by the Loan Guaranty Division of a regional office of the Veterans' Administration?

On December 14, 1953, I received a reply from Mr. Higley, dated December 11, 1953. I shall read this letter into the RECORD. It was previously incorporated in the RECORD on May 27, 1954.

VETERANS' ADMINISTRATION,
Washington, D. C., December 11, 1953.
Hon. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

DEAR SENATOR WILLIAMS: I am pleased to enclose a copy of the Veterans' Administration Technical Bulletin 4A-111 entitled "Control of Fees and Assignments to Designated Appraisers and Compliance Inspectors." This will supply you with much of the information sought in your letter of December 2, 1953.

You will note from this enclosure that there are restrictions as to the amount fee appraisers and inspectors can receive from the Veterans' Administration assignments. The ceiling on the aggregate fees permitted is \$1,000 per month and is applicable to all offices of the Veterans' Administration.

No specific penalties are imposed, however any salaried personnel responsible for assignments in excess of the maxima prescribed in our Technical Bulletin 4A-111 relative to the control of fees would be subject to disciplinary action.

Nothing prohibits a qualified individual from serving as both appraiser and inspector.

Public Law 464 - 83d Congress
Chapter 445 - 2d Session
H. R. 9474

AN ACT

All 68 Stat. 360.

To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended for a further period of one year from June 12, 1954. Trade agreements, extension. 67 Stat. 472.

SEC. 2. No action shall be taken pursuant to such section 350 to decrease the duty on any article if the President finds that such reduction would threaten domestic production needed for projected national defense requirements.

SEC. 3. The enactment of this Act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive agreement known as the General Agreement on Tariffs and Trade. 61 Stat. pts. 5 and 6.

Approved July 1, 1954.

